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IMMEDIATE, TOTAL SOVIET WITHDRAWAL FROM DRA URGED

OW270041 Tokyo KYODO in English 0006 GMT 27 Dec 86

[Text] Tokyo, Dec. 27 KYODO -- Japan called for "an immediate and total withdrawal" of Soviet troops from Afghanistan Saturday, the seventh anniversary of the Soviet invasion of that country. Foreign Ministry spokesman Yoshio Hatano said in a statement that Japan feels it is "most regrettable" that there is no sign of improvement in the Afghan situation caused by the Soviet intervention on December 27, 1979, which Hatano said aroused the indignation and apprehension of international society. The "political independence and nonaligned status of Afghanistan must be restored," he said, "and the right of the Afghan people to self-determination must be respected."

Japan also demands the return of almost five million Afghan refugees, who have been forced to leave their country, Hatano said. The Foreign Ministry spokesman said Japan reaffirms its support for the efforts of the United Nations for an early political solution of the problem and hopes to see "tangible progress" towards the total withdrawal of the Soviet forces in the proximity talks to be resumed next February.

GOVERNMENT RELEASES NAKASONE'S EUROPEAN ITINERARY

OW260457 Tokyo KYODO in English 0448 GMT 26 Dec 86

[Text] Tokyo, Dec. 26 KYODO -- The government issued a detailed itinerary Friday of Prime Minister Yasuhiro Nakasone's trip to Finland, East Germany, Yugoslavia and Poland in January. Nakasone will be the first Japanese prime minister to pay an official visit to the four countries, although former Primer Minister Masayoshi Ohira went to Yugoslavia to attend the funeral service for President Josip Broz Tito in 1980. Nakasone will discuss the international situation, including East-West relations, and bilateral relations with leaders of the four countries.

After leaving Tokyo January 10, Nakasone is scheduled to arrive at Helsinki the same day and meet with President Mauno Koivisto on January 11 and his counterpart Kalevi Sorsa on January 12. He will go to East Germany later on January 12 and meet with Communist Party General Secretary Erich Honecker on January 13. The third leg of the trip will take Nakasone to Yugoslavia on January 14 to hold talks with Prime Minister Branko Mikulic, who is also president of the Federal Executive Council. He will meet Sinan Hasani, president of the collective Presidency, January 15.

In Poland, Nakasone will meet with his counterpart Zbigniew Messner on January 15, and First Secretary Gen. Wojciech Jaruzelski on January 16. He will leave Warsaw on January 16, returning home on the evening of January 17.

FINANCE MINISTRY RELEASES 1987 DRAFT BUDGET

OW250541 Tokyo KYODO in English 0517 GMT 25 Dec 86

[Text] Tokyo, Dec. 25 KYODO -- The Finance Minstry Thursday announced an austere draft budget for fiscal 1987 calling for a cut in net government spending for the fifth consecutive year due to tight fiscal conditions.

But outlays for defense and foreign aid escaped cuts, gaining 4.1 percent and 3.1 percent, respectively, over the current fiscal year -- ending March 31, 1987 -- at the expense of such domestic programs as social welfare, education and public works.

The draft budget, approved at an extraordinary cabinet meeting, set aside outlays of 54,101 billion yen in the general account, up 12 billion yen from the original budget for fiscal 1986. This represented the smallest increase since fiscal 1955 when the budget was slashed by 0.8 percent. The general account is made of three items -- general expenditures or net government spending, debt-servicing expenses and subsidies to local governments.

Reaffirming a policy to rehabilitate the deficit-ridden national finances, the plan provides for net spending totaling 32,583 billion yen, down 801 million yen originally set for fiscal 1986, marking the fifth consecutive year-on-year drop.

The austere budget will be subject to week-long negotiations between the Finance Ministry and other ministries and agencies over possible restoration of cuts made in their original appropriations requests. But the total amount of the budget will remain unchanged as funds set aside for restoration were taken into account in the plan. The government is expected to decide on its budget plan next Tuesday and send it to the Diet (Parliament) early next year.

The ministry also set aside 25.28 trillion yen for the fiscal investment and loan program -- a companion budget financed by postal savings and other government-controlled revenues -- for a 14.1 percent gain over fiscal 1986, the sharpest increase since fiscal 1978.

The budget plan represents efforts of Prime Minister Yasuhiro Nakasone to adhere to his avowed policy of ending budgetary dependence on deficit-covering bonds by fiscal 1990. The ministry suggested that government bond issues -- national borrowing from financial institutions and individuals -- be reduced by 445 billion yen to 10.5 trillion yen in fiscal 1987, compared with a planned reduction of 734 billion yen in the current year.

The size of the reduction, however, is far below the 1 trillion yen cut believed necessary annually, up to fiscal 1990, to fulfill the government's goal.

The ratio of bond issues to total revenues or dependence of the state finances on borrowing came to 19.4 percent, the first drop below 20 percent since fiscal 1975. The balance of national bonds will thus amount to about 152 trillion at the end of fiscal 1987, compared with an estimated 145 trillion yen at the end of the current fiscal year.

Public works spending, an important budget ingredient with a major pump-priming effect, was set at 6,017 billion yen, down 1.9 percent, the fourth consecutive yearly decline.

Foreign countries, led by the United States, are urging Japan to take reflationary measures, hoping that the expansion of domestic demand in Japan will increase imports and thus help reduce the country's snowballing trade surplus. Last year, Japan had a 49.7 billion dollar surplus with the U.S. and it is heading toward more than a 70 billion dollar surplus this year.

Finance Ministry Kiichi Miyazawa earlier said that the ministry will maintain at least a 5 percent growth in overall public works to about 14.2 trillion yen using the fiscal investment and loan program, and encouraging local governments and the private sector to increase public works-related projects. Ministry officials said defense and foreign aid, slated for increases in fiscal 1987, were also curbed, mirroring the stringent budget draft.

Defense expenses were allowed to increase 4.1 percent to 3,479 billion yen or 0.993 percent of Japan's estimated Gross National Product (GNP), compared with a 5.1 percent growth proposed by the ministry for fiscal 1986 and fiscal 1985.

Outlays for Official Development Assistance (ODA), a major portion of foreign aid aimed at helping developing countries, were set at 650 billion yen, up 4.5 percent from the original fiscal 1986 budget, the lowest growth since the government started multi-year aid program in 1978. Outlays for social security spending will increase 2.1 percent but the growth was reduced from 2.7 percent for the current fiscal year. Expenses for education and the promotion of scientific research were trimmed by 1.3 percent to 4,783 billion yen.

On the revenue side, the ministry assumed a gain of 1.6 percent in tax revenues, set at 41,194 billion yen, but a drop of 6.8 percent in nontax revenues, set at 2.406 billion yen.

ONAHAMA CHOSEN FOR PORT CALL BY SOVIET BOATS

OW290825 Tokyo KYODO in English 0722 GMT 29 Dec 86

[Text] Tokyo, Dec. 29 KYODO -- The government decided Monday to name Onahama, in Fukushima Prefecture, as a port of call for Soviet fishboats this coming year based on a bilateral fishery accord, putting an end to an ongoing dispute over which port would welcome them. In ministerial talks on the issue, the government made the decision to notify the Soviet Union of its choice before yearend as required by the accord, according to government sources. Commenting on the decision, governor of Fukushima Prefecture Isao Matsudaira said Monday, "It is regrettable that the government has unilaterally made this hasty decision." Matsudaira told reporters, however, that from here on, "The prefecture demands the best in aftercare by the government."

The government at first named Shiogama, in Miyagi Prefecture, on the grounds that police could easily handle demonstrations by anti-Soviet rightwingers there due to the small size of the port. However, Miyagi Prefecture and other local bodies opposed the nomination as Shiogama had accepted Soviet boats in 1985.

The government then focused on Onahama, which was the first Japanese port to accept Soviet boats when the agreement was first implemented in 1984.

Agriculture, Forest and Fisheries Minister Mutsuki Kato failed Friday to gain agreement from Matsudaira, who objected to Onahama's choice. The government sources said the fisheries agency, which handles the problem, was negotiating with the Finance Ministry for tens of millions of yen subsidy to Fukushima Prefecture in next year's budget to meet Onahama's costs of hosting the Soviet boats next year.

According to Monday's decision, Onahama will have to accept Soviet fishboats in three periods between February 20 and December 5 next year, the fisheries agency said.

The Soviet Union, which has to open one port to Japanese fishboats in return, has not yet notified its choice to Japan, the agency said.

WPK CENTRAL COMMITTEE HOLDS PLENARY SESSION

SK290314 Pyongyang Domestic Service in Korean 2100 GMT 28 Dec 86

[Report on the 12th plenary session of the 6th WPK Central Committee held in Pyongyang on 27 December]

[Text] The 12th plenary session of the 6th WPK Central Committee was held on 27 December. The great leader of our party and people Comrade Kim Il-song presided over the plenary session. Members of the Political Bureau Presidium of the WPK Central Committee attended the plenary session. Also, full and alternate members of the WPK Central Committee Political Bureau, full and alternate members of the WPK Central Committee, and members of the Central Inspection Committee of the party Central Committee participated in the plenary session. Responsible functionaries of the central and provincial party and administrative economic guidance organs and party secretaries and managers of plants and enterprises attended the plenary session as observers.

The following agenda items were brought for discussion to the plenary session: 1) The planned figures for the Third 7-year National Economic Development Plan for 1987-1993; 2) The national economic development plan for 1987; 3) the bill on the government constitution to be submitted to the First Session of the Eighth SPA; and 4) the organizational problem. Comrade Hong Song-nam made a report on the first and second agenda items. The great leader of our party and people Comrade Kim Il-song, general secretary of the WPK Central Committee, provided an important conclusion to the first and second agenda items.

Discussing the first agenda item, the plenary session unanimously pointed out great pride in the beginning performance of the Third 7-Year Plan, a new prospective plan, in 1987 based on victories which have already been attained in socialist economic construction. The plenary session stressed: Today, our people overflow with firm resolve to attain another brilliant victory by powerfully waging the campaign for an all-out march to ralize new prospective objectives in socialist economic construction with resplendent vistas for and firm faith in the future.

The plenary session noted: We have brilliantly fulfilled the Second 7-Year Plan and have smoothly made preparations to mount a new high stage by vigorously waging the struggle to implement the decisions of the sixth party congress while upholding the banner of the chuche idea under the party's leadership, thereby laying a firm foundation to realize new prospective goals for socialist economic construction. We should powerfully stage the struggle to carry out the Third 7-Year Plan based on already attained successes.

The plenary session noted: The Third 7-Year Plan to develop the national economy is a new great blueprint designed to execute the programmatic tasks of socialist economic construction put forth at the sixth party congress.

In connection with our party's guidance for the correct formulation of the new prospective plan, the plenary session noted the following: Our party has put forth the 10 major prospective goals for socialist economic construction laid down by the sixth party congress as strategic goals which should be attained during the Third 7-Year Plan, elucidated basic directions and tasks of economic construction during the period of the new prospective plan, and wisely organized and led our people in the struggle to lay a solid basis for realizing the new grand prospective plan.

Also, our party has helped the party organizations strengthen their guidance so that all sectors of the national economy are able to concentrate efforts on the work of mapping out the Third 7-Year Plan. In addition, it has widely involved the producing masses, scientists and engineers in designing the new prospective plan and has actively mobilized their creative wisdom and talent. The plenary session pointed out: During the Third 7-Year Plan, socialist economic construction should firmly consolidate material and technological foundations for the complete victory of socialism by continuously accelerating the work of the chuche-orientation, modernization, and science-orientation of the national economy.

The plenary session stressed as follows: During the period of the new prospective plan, we should realize the 10 major prospective goals for socialist economic construction, completely solve the problem regarding the food, housing, and clothing of our people, and epochally improve the people's standard of living by developing science and technology to a high degree and by advancing the technological revolution onto a new high stage. When the Third 7-Year Plan is performed, the might of our self-reliant national economy will be matchlessly enhanced, our country will dignifiedly enter the ranks of world-level advanced countries in economic development, and a decisive advance will be effected in the struggle for the complete victory of socialism. Noting that the planned figures of the Third 7-Year Plan, which envisaged the rapid development of all fields of the national economy, are grand prospective goals for socialist construction to mount onto a higher peak of socialism, the plenary session unanimously emphasized that these planned figures brought to the plenary session were correctly compiled in accordance with the direction of economic development indicated by our party. The plenary session endorsed the planned figures of the Third 7-Year Plan for the national economic development, admitting that the figures perfectly conform to the strategic lines of socialist economic construction set forth at the sixth party congress of our party.

The plenary session authorized the State Administration Council to complete the writing of the draft of the Third 7-Year Plan on the basis of the planned figures of the plan and submit it to the Second Session of the Eighth SPA, to be held next year, for deliberation.

Discussing the second agenda items, the plenary session determined the expenditures of the 1987 plan for national economic development and raised tasks and ways to carry it out. Saying that the year 1987 is an important year with great significance in the socialist construction of our country, the plenary session noted: We should vigorously wage the honorable and rewarding struggle to realize the grand prospective goals of the Third 7-Year Plan, beginning next year.

The plenary session pointed out: Central tasks of the 1987 plan for national economic development are to normalize production at a high level in all fields of the national economy by effecting upsurges in the fuel and power industry and the production of steel products, to further improve the people's standard of living by increasing the production of grain and fish and by accelerating the light industrial revolution, and to powerfully conduct the construction of major fronts designed to completely solve the problem regarding the food, housing, and clothing of the people.

The plenary session stressed: The tasks of next year's socialist economic construction fully embody our party's revolutionary policy of successfully realizing the new grand prospective goals for socialist economic construction by giving full play to the might of our self-reliant national economy.

The plenary session noted: The struggle to carry out the 1987 plan is a rewarding struggle to enact an epochal advance in opening a breakthrough for the performance of the Third 7-Year Plan by effecting new great upsurges in all fields of the national economy and in realizing the 10 major prospective goals for socialist economic construction laid down by the sixth party congress.

The plenary session stressed: Only when the mining industry is rapidly developed can the problem concerning raw materials, fuel, and power be smoothly solved, production be normalized at high level in all sectors of the national economy, and the new prospective goals for socialist economic construction be successfully attained. The plenary session then raised important tasks designed to rapidly develop the mining industry. The plenary session also pointed out that coal production must be increased decisively by concentrating the entire party's efforts on the coal front thereby suplying coal mines, among other sectors, with equipment and materials, providing satisfactory working conditions for blind ends in mine galleries, and well carrying out the work of supplying coal miners with daily necessities. The plenary session also pointed out that the production of various minerals must be increased epochallv by concentrating efforts on Komdok Mining Complex, the Musan Mining Complex, and other large-scale mines that have abundant deposits and satisfactory conditions for mining and by giving priority to geological survey, digging, and the construction of galleries.

While stressing that rapidly increasing electricity production is an important demand for normalizing production in all sectors and for scoring new upsurges in economic construction, the plenary session pointed out that a vigorous struggle must be waged to rapidly increase electricity production. The plenary session pointed out that power production must be increased by operating all existing power stations to their full capacity and that the capacity for power generation must be increased epochally by accelerating the construction of new power stations to the utmost.

The plenary session pointed out that by continuously concentrating greater efforts on the metal industry, the chucheization of the ferrous metal industry must be realized positively and that the production of iron and steel products must be normalized on a higher level. The plenary session pointed out that we should epochally increase the production of cars, tractors, mining equipment, and various machinery and equipment in the machinery industry and satisfactorily produce and guarantee the supply of equipment necessary in modern plants which are being newly built. The plenary session presented the task of further increasing production in the chemical, building material, and forestry industry sectors.

While stressing the better guarantee of demands for transportation in the people's economy by rapidly developing transportation, the plenary session pointed out that the existing means of transportation must be utilized to the utmost and that more cargo must be transported by thoroughly materializing the three major policies of transportation -- concentrated transportation, containerized transportation, and joint transportation.

While pointing out that upgrading the lives of the people is one of the important tasks for next year, the plenary session presented tasks to epochally improve the people's lives by further developing the light industry, the fisheries industry, and the rural economy. The plenary session pointed out that a turnover must be brought about in the production of the people's consumer goods by normalizing production on a higher level in all light industrial plants and by vigorously carrying out light industrial revolution and that in the fisheries sector the production of fish products must be increased decisively by well preparing for fishing and by positively engaging in battles to catch fish and that the work of processing fish must be strengthened.

The plenary session pointed out that the agricultural production, including grain production, must be further increased by waging a vigorous struggle to thoroughly materialize the chuche-type farming method and to realize the task of carrying out technological revolution in rural areas, a task presented in the thesis on problems facing the socialist rural areas of our country.

While presenting tasks for capital construction, the plenary session pointed out that the construction of the Sunchon Vinalon Complex, the Sariwon Potassium Fertilizer Complex, and other plants which are of significance in completely resolving food, clothing, and housing of the people must be accelerated and that the construction of the Taechon Power Plant and other new power stations, the second-phase construction of the Kim Chaek Steel Complex, the project of expanding the capacity for the production of magnesia clinker in the Tanchon District, reclamation construction, and city construction must be accelerated vigorously.

While stressing the significance of foreign trade in accelerating production and construction and improving the standard of living for the people, the plenary session pointed out that export goals must be attained without fail by increasing the production of export goods in all sectors and units of the people's economy and by positively mobilizing all sources that can help produce export goods.

The plenary session pointed out that land management, city management, and post and telegraphic services must be improved and that services for the people, education, culture, and public health must be further developed.

The plenary session pointed out that to score new upsurges in socialist economic construction, daily, monthly, and quarterly quotas set by the state must be accomplished without fail and every index of the state plan must also be accomplished without fail.

The plenary session pointed out that guiding functionaries in all sectors must possess the complete revolutionary traits of strongly arming themselves with the chuche idea of our party and of unconditionally and thoroughly materializing the party's policy, must carry out well the economic organizational work, and must further improve economic management to highly display the superiority and vitality of complexes. The plenary session also pointed out that a new advance must be made in socialist economic construction by waging a vigorous struggle to create the speed of the '80's, while upholding the banner of three revolutions -- ideological, technological, and cultural -- in all sectors of the people's economy and by making the masses highly display their revolutionary ferver and their creative positiveness. The plenary session expressed its confidence that all party members and workers will score brilliant victories during the first-year battle to execute the new prospective plan.

The plenary session discussed the third issue on the agenda "the bill on the government constitution to be submitted to the First Session of the Eighth SPA." The plenary session adopted relevant decisions.

The plenary session also dealt with an organizational matter, the fourth issue on the agenda. The plenary session promoted Comrades Yi Kun-mo and Hong Song-nam from candidate membership of the party Central Committee Political Bureau to full membership. It relieved Comrades Yi Kun-mo, Kim Hwan, and Pak Nam-ki of the post of secretaries of the party Central Committee. It elected Comrades Kang Song-san, Yon Hyong-muk, Chon Pyong-ho, and Choe Tae-pok secretaries of the party Central Committee. It elected, on a supplementry basis, Comrades Choe Tae-pok, Han Song-yong, Chi Chang-ik, Kye Hyong-sun, Kim Chung-il, Kim Chol-myong, Kim Pong-yul, Kim Sang-ho, and Kim Yong-chun -- candidate members of the party Central Committee -- to be members.

It also elected, on a supplementary basis, Comrades Yi Pil-song, Choe Pok-yon, Choe Kyong-hoe, and Paek In-chun to be members of the party Central Committee. It elected, on a supplementary basis, Comrades Kim Kyong-pong, Choe Hak-kun, Yi Sok, Pyon-Yong-nip, Kim Tok-hyon, Yi Pyong-nam, Chu Sung-nam, Kim Hyong-muk, Choe Hyon-ki, Kim Chu-ho, Sok Ki-chun, Pak Yong-sik, Kim Kwang-su, Yi Won-kwan, Yi Yun-huk, Kim Chong-uku, and Yi Tong-nim candidate members of the party Central Committee. Comrades Kim Ung-chol and Kim Chun-pil were elected, on a supplementary basis, to be members of the party Central Inspection Committee.

EIGHTH SUPREME PEOPLE'S ASSEMBLY OPENS

SK291019 Pyongyang KCNA in English 1013 GMT 29 Dec 86

[Text] Pyongyang December 29 (KCNA) -- The First Session of the Eighth Supreme People's Assembly of the Democratic People's Republic of Korea opened at the Mansudae assembly hall on December 29.

The great leader Comrade Kim Il-song is present at the session.

Dear Comrade Kim Chong-il is present there.

Newly elected deputies are attending the session. Also present are functionaries of party and power bodies, social organizations and administrative and economic organs, generals of the Korean People's Army and men of science, education, culture and art, public health and the press.

The session adopted the following agenda of the First Session of the Eighth Supreme People's Assembly of the DPRK:

1. Election of the president of the Democratic People's Republic of Korea.

2. Election of the state leadership organs of the DPRK.

Kim Reelected President

SK291028 Pyongyang KCNA in English 1015 GMT 29 Dec 86

[Text] Pyongyang December 29 (KCNA) -- The First Session of the Eighth Supreme People's Assembly of the DPRK today reelected the respected leader Comrade Kim Il-song, the founder and great guide of our party and our Republic, as president of the Democratic People's Republic of Korea.

Representing the unanimous will and desire of the entire people, the session reelected him as president of the Democratic People's Republic of Korea and solemnly announced this great historical auspicious event at home and abroad.

This is the greatest glory and happiness of our country and people and a happy event of the whole nation.

At the historical moment of reelecting Comrade Kim Il-song president, all the deputies and attendants at the session burst into the stormy cheers "Long live the great leader Comrade Kim il-song!," overflowing with immense excitement and joy.

His reelection as president is an expression of undisputed trust and boundless reverence of the entire Korean people for him who stood at the head of the Korean revolution in his early years and founded the immortal chuche idea and won the national liberation and the independence of the country by bringing it to a shining realization, has converted (?the) country into a powerful socialist state, independent, self-supporting and self-reliant in defence by leading the revolution and construction to victory, guided our party, state and people always along a straight road of victory with his tested leadership and has rendered great services for the international communist movement and the cause of anti-imperialism and independence.

The attendants were filled with determination to vigorously fight to accomplish the cause of socialism and communism and the historic cause of national reunification under the leadership of the party, holding in high esteem forever the great Comrade Kim Il-song as the leader of our party, state and people.

POWER INDUSTRY COMMISSION ISSUES DAM WHITE PAPER

SK270036 Pyongyang Domestic Service in Korean 1000 GMT 25 Dec 86

[White paper issued by the DPRK Commission of Power Industry read by Commission Vice Chairman Yi Chong-song at a press conference on 25 December at the People's Hall of Culture in Pyongyang -- recorded]

[Text] Today a project for the development of water resources is in full swing around Kumgangsan in our country. As is widely known, our water resources are a great economic asset for the country, and our nation is one of the countries with the most abundanat water resources. It is a policy consistently maintained by us to resolve the question of the nation's power and energy by reasonably developing our water resources. Under the far-reaching plan and the personal initiative of the great leader Comrade Kim Il-song, our fundamental principle in developing water resources is to generate as much electricity as possible by building dams to divert the meandering river streams draining into the West Sea in the direction of the area of the East Sea. This principle was applied to already completed power plants. The Taechon Power Station is being built in the same method of diverting river streams, although the point of the head is different.

The Kumgangsan Power Station, being constructed in the central part of our country, cannot be an exception. Areas of Kangwon Province have abundant water resources. The upper reaches of the Pukhan and Imjin Rivers and the Komitanchon drainage basin in Kangwon Province constitute a rain belt where the amount of rainfall is the highest in our country. The average annual rainfall is 1,500 mm, more than twice that of the inland areas in the northern district. As for the topographical description of Kangwon Province, the low-gradient western side of the province, divided by the Taebaek ranges, forms a vast catchment area, whereas the eastern side consists of steep slopes. Therefore, if the river streams flowing to the West Sea are diverted toward the East Sea, a water level of more than several hundred meters high will be formed, thus offering an advantageous condition for generating a great deal of electricity.

The Kumgangsan Power station is such a gigantic power base which will produce electricity by taking advantage of such physiographical conditions. This power station will not only contribute to the economic development of the country as as whole but will also supply a good deal of electricity to Kangwon Province, and to North and South Hwanghae Provinces in the central parts of our country, which will, in turn, open up a wide avenue for establishing new large-scale industrial enterprises in this area during the period of the new perspective plan. Indeed, this is a great nature-remaking project designed to turn for the first time in our era a product of nature, which has been flowing uselessly in and out of the people's interest for several thousand years, into an asset for the prosperity of the nation and the people and to make the best use of this product.

Our people, whether they are in the North or in the South, should take pride in having such a national asset within the country. However, the South Korean puppets are now bandying about spiteful words vilifying our construction of the Kumgangsan Power Station, while deporting themselves very unreasonably. They are slanderously labeling our peaceful construction as a special construction and as a means of a flooding operation aimed at southward invasion so as to whip up antagonism and war fever within the nation, and are even going to the length of staging a farce of donation collection to exact money from the people under the pretext of building a so-called counterdam. They even do not hesitate to distort the facts by arbitrarily fabricating the dimensions and economic utility rate of the power station which we have not announced yet.

How can they distort and conceal the truth just with the help of fallacy and fabrication to our great nature-remaking project designed to control and manage water resources in the great expanse of nature in the true sense of the word, which is neither a blueprint drawn up in a secret room nor a secret of a certain modern weapon manufactured in an underground munitions fctory? We, the masters of the construction of the power station, are the only truth tellers. No one is in a position to speak about the exact specifications of the power station in our stead or entitled to do so.

Our Kumgangsan Power Station is a hydro-power station, based on diverting river flow, with a total capacity of 810,000 kwh, and will produce much electricity through the comprehensive development of water resources from various rivers and streams in Kangwon Province. The power station will generate electricity by the fall of water from an over 300 meter-high head created from the water of various rivers and streams, including the headwaters of the North Han River, Imjin River, and Komitan stream. The water will be pocketed in different reservoirs and then channeled through several water tunnels to the precipitous Anbyon area on the East sea side, from where the water will fall.

The flow of river streams will zigzag into the power station from reservoir and streams. Thus, the station, using the method of developing zigzag-type water resources, does not keep water resources in one great reservoir. The Kumgangsan Power Station has one generating facility. However, water resources are held in a number of reservoirs and flood-prevention dams on various river and streams. The principle water resources for the Kumgangsan Power Station are four reservoirs -- the Innam and Chongok reservoirs on the upper reaches of the North Han River. Additional sources are seven streams, including the Yongji and Pyongan streams, the tributaries of the Imjin River, and the Namdae stream in Anbyon.

The water resources for the Kumgangsan Power Station can largely be divided into two channels. The first is the North Han River channel and the second is the channel of the Imjin River and the Komitan stream. On the North Han River channel, there are the Innam and Chongok reservoirs, which were formed by the Innam dam, with a height of 121.5 meters, and the Chongok dam, with a height of 118 meters, which are located along the upper reaches of the North Han River. In the Imjin River-Komitan stream channel, there are the Changan reservoir, the dam of which is 115 meters high, on the upper reaches of the Imjin River in the inland of Kangwon Province, and the Naepyong reservoir, the dam of which is 123 meters high, on the Komitan stream. Thus, the Kumgangsan Power Station has an exquisite water resource system, which consists of four reservoirs and seven river systems.

As for the storage capacity of the four reservoirs of the Kumgangsan Power Station, that of the Innam reservoir is 2,624 million tons and of the Chongok reservoir is 970 million tons, thus along the upper basin of the North Han River capacity totals 3,600 million tons; storage capacity for the Naepyong reservoir is 510 million tons and for the Changan reservior is 620 million tons, thus along the upper reaches of the Imjin River and the basin of the Komitan stream capacity totals 1,130 million tons.

This water will flow through different water tunnels to reach the power station. The water of the Innam reservoir will reach the power station by flowing along a water tunnel 455 kilometers long. The water of the Chongok reservoir will not flow into the Innam reservoir but will reach the power station after being linked along the way with a water tunnel that goes through the Innam reservoir and the power station. Water of the Naepyong and Changan reservoirs will not flow into the Innam reservoir, but will join the water flow from the Innam reservoir in front of the (?regulator) of the power station that comes through a water tunnel 58.2 kilometers long. This is exactly what the water resources consist of for the Kumgangsan Power Station we are building.

Our scientific data presents a striking contrast to the Kumgangsan Power Station described by the South Korean puppets. According to our design, we will build four reservoirs and seven intake dams for the Kumgangsan Power Plant, but the South Korean puppets claim that there is only the Imnam reservoir to supply water for the plant. The actual storage capacity of the Imnam reservior faulted by the South Korean puppets will be 2.624 billion tons, but the South Korean charlatans describe it as 20 billion tons. The lies by those who know are far more despicable than those who know nothing.

The South Korean puppets know only too well that such a stupendous amount of water could not be stored in our Imnam reservoir, the dam of which is lower and the catchment area of which is less than their own Soyang reservoir, the storage capacity of which is 2.7 billion tons. However their fabrication of 20 billion tons of storage capacity for the Imnam reservoir is utterly clumsy and ridiculous. As a matter of fact, if the Imnam reservoir is to store as much as 20 billion tons of water, the dam shoud be over 200 meters high, not 121.5 meters as planned. If that were the case, the Imnam Reservoir might inundate the vast populated areas and farmlands not only in Imnam-ri in Changdo County, but also in Kimhwa and Hoeyang counties. What on earth would be the need to build a power plant to produce just a few hundred thousand kwh at the risk of such a huge economic loss?

If the Imnam reservoir stored 3 billion tons of water, not to mention 20 billion tons, it would cause great damage to the area of our side. For this reason, we have limited the size of the Imnam reservoir in our design and plan to build the Chongok reservoir on the upper reaches of the North Han River to augment the source of water for the power plant. In this way, we will be sure that the many areas of the upper reaches of the North Han River are preserved and that the vast farmland and billions of tons of coal in these areas are utilized in their original form. It is clear that the 20 billion tons raved about by the South Korean puppets is an artificially produced figure.

Our Kumgangsan Power Plant is also very high in economic effectiveness. The power plant is so designed as to harness a minimal amount of water to produce a maximum amount of electricity according to our own style of civil engineering. Furthermore, the power plant is characteristic of greater economy and higher utility of investment than any other hydroelectric power plant in our country.

The storage utility rate of the Kumgangsan Power Plant is a very high figure. The maximum of water storage in the reservoirs for the power plant reaches 4.724 billion tons, and the maximum effective storage of water is 3.327 billion tons. The storage utility rate of the power plant averages 95 to 96 percent.

The cost-effectiveness of investment in the Kumgangsan Power Plant is secured at 100 percent. The Kumgangsan Power Plant has been so designed as to decide the size of the reservoirs in keeping with the proportion of the water resources in this area and create over 300 meter-high heads, increasing electricity output per cubic meter of water to 0.73 kwh. In terms of electricity output per cubic meter of water, our Kumgangsan Power Plant is three times that of South Korean's Soyanggang Power Plant and five times that of the Hwachon Power Plant. This is undeniable scientific data and a stern reality. However, the South Korean puppets are putting forward the absolutely unreasonable sophistry that the storage utility rate of the Kumgangsan Power Plant is only 10 percent and the cost-effectiveness of investment is 18 percent. Their distortion of the economic effectiveness of our power plant in its technical and investment aspects is nothing but faultfinding to prove that the construction of the power plant is allegedly related to a non-economic purpose, such as the so-called special construction.

Our Kumgangsan Power Plant is certainly perfect in both its security and durability. The dam of the Innam Reservoir on the upper reaches of the North Han River will be built of riprap, its bottom 700 meters wide. This is the structure of a dam rarely seen in hydroelectric power dam projects. We anticipate enormous additional investment in connection with the durability of the construction facilities. The hue and cry of the South Korea puppets about natural damage to the Kumgangsan Power Plant by faulting the construction quality of the power plant does not stand to reason.

All of our power plants have already received sufficient public acknowledgement concerning their security and durability. Furthermore, the security and durability of the Kumgangsan Power Plant, which is to be built with rich, long-accumulated experience and the original civil engineering of our own style, are guaranteed even more firmly. The South Korean puppets need not bother themselves worrying about the security of our Kumgangsan Power Plant. The danger of reservoirs would not rest with our Kumgangsan Power Plant, but with the Louoh Korean reservoirs in the lower reaches of the North Han River or in the Soyang River. In face, the dam for the South Korean's Hwachon Power Plant was carelessly built by the Japanese imperialists, and the dam for the Soyang River is built of gravel, sand, and soil mixed together, offering a very great danger of flooding.

As the facts show, the construction of our Kumgangsan Power Plant is peaceful construction to meet the urgent demand of the economic development of the country and has nothing to do with a military purpose. The construction of the Kumgangsan Power Plant is neither special in its design nor separately invested in and kept secret. That is why there are no grounds whatsoever that the Kumgangsan Power Plant will pose a threat [wihyop] to the South Korean side. The Imnam Reservior, which will be closest to the South's side, will not pose a problem, not to mention the Chongok Reservoir, which will be on the far upper reaches of the North Han River. Although the maximum water storage of our Imnam Reservoir would reach 2.6 billion tons at its highest level, the annual average storage is, in fact, only about 1.8 billion tons. It is common sense that this would pose no threat to the South Korean side.

The South Korean puppets are making nonsensical cries about the possible artificial destruction of the Kumgangsan Power Plant Dam. The artificial destruction of the Kumgangsan Power Plant Dam is illogical. According to explosive engineering data, explosive charges of at least several kilograms, on some occasions more than that, are required to destroy a cubic (?meter) of a concrete or sand and stone dam. Therefore, supposing that we destroy the entire section of the Imanm Dam at one time, we would need hundreds of thousands of tons of explosive charges, equivalent to the power of a nuclear bomb. Directly using such an enormous amount of explosive charges, rather than wasting them to blow up the dam, would be hundreds of times more effective in terms of destruction.

The construction of our Kumgangsan Power Plant will pose neither a threat to South Korea nor will it cause any economic damage or loss. The Imnam and Chongok Dams on the upper reaches of the North Han River will make it possible to control the worst cyclic floods, protecting the vast basin of the lower reaches of the North Han River and the Hwachon Power Plant area in South Korea from flooding and providing favorable conditions for its agriculture. According to a preliminary calculation, the construction of the Kumgangsan Power Plant will lower by more than a meter the water level of the Han River when a flood swells to its highest mark in the Seoul area and thus reduce flood damage along the Han River basin by 70 percent. The construction of the Kumgangsan Power Plant will be beneficial to South Korea, far from doing it any harm.

Before preaching the threat of water, the South Korean puppets should squarely look at us, the people of one and the same stock, and refrain from making a mockery of the South Korean people over water. None of the people in the North and South want to wage a water war between them, nor are there any who pose a water threat or who are threatened by water. The South Korean students and people of all walks of life are now appraising the construction of our Kumgangsan Power Plant properly as work of good-will to provide wealth for the entire nation, denouncing the puppets' deceptive farce of constructing a counter-dam. The counter-dam plan to build on the North Han River basin without any justifiable cause will remain a shameful sign that shows that the puppets' raving about a so-called threat of southward invasion and a water-invasion operation is unfounded.

The South Korean puppets, now on their deathbed, are trying to shift the stage of their anticommunist and anti-DPRK commotion to the construction of our Kumgangsan Power Plant in their desterate attempt to extricate themselves from their serious political crisis. This only serves to reveal their wretchedness. We are convinced that their vile anticommunist machinations will never save them from their crisis of destruction -- today or tomorrow. Even after the South Korean puppets have perished, our Kumgangsan Power Plant will remain forever.

25 December 1986, Pyongyang

FURTHER LAUSANNE TALKS ON OLYMPICS DEMANDED

SK260359 Pyongyang Domestic Service in Korean 2152 GMT 25 Dec 86

[NODONG SINMUN 26 December Commentary: "If Sincere Negotiations Are Made, There will Be a Way"]

[Text] As has been reported, on 22 December, the chairman of the DPRK Olympic Committee sent to the president of the International Olympic Committee [IOC] a letter calling for the convocation of the fourth joint meeting in Lausanne at the earliest possible date to discuss the problem of cohosting the 24th Olympic Games in North and South Korea. In the letter, he elucidated our principled stand toward the fourth Lausanne joint meeting and the proposal for cohosting the Olympic Games and ways to realize the proposal.

The Lausanne joint meeting among the IOC and representatives from North and South Korea to discuss the problem of cohosting the 24th Olympic Games was held last June. Since then, through exchanging letters and bilateral contacts with the IOC we have demanded that the fourth joint meeting be held at an early date to sincerely discuss the proposal for cohosting the games.

However, the fourth joint meeting has not been held as yet. Consequently, discussions of our proposal for cohosting the 24th Olympic Games in the North and South have faced a state of suspension [chungdan sangtae]. Our current demand that the fourth Lausanne joint meeting be convened at the earliest possible date is another expression of our sincere stand and earnest attitude to rescue the Olympic movement which is facing a crisis. Our proposal for cohosting the Olympic Games is aboveboard and fair, according not only with the ideals of the Olympic movement and the aspirations of the world's progressive people but also with the desire of the Korean people for peace in the country and its peaceful reunification. Our proposal for cohosting the Olympic Games should be realized without fail from the standpoint of creating a favorable atmosphere for peace in Korea and its peaceful reunification. Numerous countries and people in the world want this.

We have made all possible efforts to realize the proposal for cohosting the Olympic games in conformity with the expectation and desire of the people of the world and the Korean people. Already in the three rounds of the Lausanne joint meeting, we showed our sincere stand and attitude to realize the proposal for cohosting the Olympic games at any costs.

Properly speaking, in order to cohost the 24th Olympic Games in the North and South, sport events should be held, divided into halves. However, taking the stand of the other party of the talks into consideration, we do not necessarily assert that sport events should be held divided into halves. There is no change in this stand even now. Nevertheless, the other party of the talks has asserted that of the 23 sport events of the Olympic Games, 2 complete sport events [wanjon kyonggi chongmok] and 1 or 2 incomplete sport events [pulwanjon Kyonggi chongmok] can be held in our side. It has also asserted that it will convene the fourth joint meeting only when our side unconditionally accepts this in a written form. This is intended to make the sport events to be held in our side look as if they were accessory events to the sport events to be held in Seoul. Who on earth can accept such an unwarranted assertion which is too much removed from our cohosting proposal?

We cannot but regard such a far-fetched assertion of the other party to the talks as a virtual refusal to our proposal for cohosting the Olympic Games. Our stand is intended to contribute to soundly developing the Olympic movement by realizing the proposal for cohosting the Olympic Games at any cost in conformity with the expectation and demands of the progressive people of the world and thus to create favorable conditions and circumstances for improving relations between the North and South and for promoting the country's peaceful reunification.

A series of conflicting problems which arise in realizing the proposal for cohosting the 24th Olympic Games in the North and South of Korea can be resolved only through sincere and earnest negotiations and discussions. Through the joint meetings which have already been convened on many occasions, a foundation has been provided in the efforts to realize our proposal for cohosting the Olympic Games. Under such conditions, if the three parties sit face to face, continue earnest discussions with sincerity, thus further consolidate agreements, and resolve differences with the spirit of mutual understanding and cooperation, a practical fruition [silchonjokin kyolsil] can be produced.

In order to cohost the 24th Olympics, there will be many problems to be resolved along with the problem of increasing the number of sports events to be held in Pyongyang. They are the problems related to the organization and operation of the games, including the name of the games, the composition of the organizing committee, and the problems of opening and closing ceremonies of the games. These problems, too, can be easily resolved if the three parties sit face to face and prudently [sinjung hage] negotiate without any attached conditions.

For one side to put forward demands or conditions which cannot be acceptable to the other side and to force it to accept them, instead of sitting face to face for negotiations, is not a sincere act and does not constitute the stand of realizing the cohosting of the Olympic Games. It is obvious that such a act will result in leading the North and South to antagonism and confrontation and in further aggravating the crisis which has been created in the Olympic movement.

The problem is that the fourth joint meeting should be convened at an early date and that the demands of our side and the other side alike should be earnestly discussed there so that understanding can be narrowed and ways for resolving the present difficulties can be sought. We have already urged the fourth joint meeting to be convened at an early date on many occasions. We have put forward fair and aboveboard overtures in connection with the cohosting of the Olympic Games on many occasions, not just once or twice.

Whether or not the fourth joint meeting is convened at an early date and whether or not the meeting will contribute to resolving problems entirely depend upon with what degree of sincerity and flexibility the other side responds to our proposal. Foreseeing that negotiations will be properly carried out in the future and thus the Olympic Games will be held in Pyongyang, we are now making relevant preparations, including the construction of sports stadiums and facilities in a substantial manner. The other side should respond to our sincerity with sincerity. We will make all possible efforts to realize the cohosting of the Olympic Games in the future, too.

DJP, NKDP, KNP AGREE TO MEETING BY 10 JAN

SK272246 Seoul YONHAP in English 1439 GMT 27 Dec 86

[Text] Seoul, Dec. 27 (YONHAP) -- South Korean political leaders have agreed Saturday to hold a meeting of three major political party heads no later than Jan. 10 to help promote the negotiation of constitutional amendment. Emerging from the meeting, arranged by National Assembly Speaker Yi Chae-hyong as a year-end get-together, Yi Man-sop, president of the minor opposition Korea National Party, announced the leaders also agreed to convene an extraordinary Assembly session early next year to hear the policy statement for the new year from President Chon Tu-hwan. Yi said they consented in principle to normalize the Special Committee on Constitutional Amendment, which has been stalled since the end of September, but failed when and how to operate the panel. [as received]

The other two leaders present at the meeting that lasted two and a half hours were No Tae-u, chairman of the ruling Democratic Justice Party and Yi Min-u, president of the main opposition New Korea Democratic Party. The three leaders also acknowledged the need for the creation of an apparatus to deal with a seven-point proposal for democratic reforms put up by Yi Min-u, a source close to the meeting said. Secretary generals and floor leaders of the three parties will hold separate meetings to discuss ways to implement the proposal early next week.

Reiterating his positive response to Yi's seven-point proposal, No proposed the holding of a party leaders meeting early in January and the convocation of an extraordinary Assembly session, according to the source. The source said No also suggested the normalization of the special panel at an earliest date and, if necessary, the creation of an apparatus to deal with a seven-point proposal for democratic reforms to the holding of a party leaders meeting, continued meetings of party. [as received]

The NKDP president responded affirmatively to No's proposal for the meetings of the key-post holders of their parties and for the convocation of an extraordinary session. Yi Min-u agreed on the need for normalizing the special panel but asserted a favorable atmosphere should precede the normalization.

Earlier Saturday, in a key-post holders meeting, the government party agreed to consider cautiously the revision of the parliamentary election law and pardon and reinstatement of political detainees, which are part of Yi's seven-point proposal.

The NKDP president called for the ruling camp to settle politically the case of Rep. Yu Song-hwan, arrested for his alleged pro-communism remarks in the National Assembly, and the case of Reps. Pak Chan-chong and Cho Sun-hyong, booked on charges of violating the law on assembly and demonstration.

NKDP CALL FOR DIRECT ELECTIONS UNALTERED

SK260100 Seoul THE KOREA HERALD in English 26 Dec 86 p 1

[Text] Yi Min-u, president of the opposition New Korea Democratic Party, said yesterday that his party's position to push for a direct presidential election "remains unchanged."

He signaled Wednesday his conditional willingness to agree to interparty negotiations over constitutional revision featuring a cabinet government system.

The NKDP leader said, "It is erroneous to interpret the remarks as meaning that our party has reversed its decision and now accepts the cabinet system."

He explained that he made the statements in the belief that an unfortunate situation should be prevented at a time when the nation is facing difficulties.

"The ruling camp should show more genuine desire to achieve democracy. This would help resolve the current difficult situation," he said.

Saying that it will take time for the government to meet the requirement for democratization, he called upon the ruling camp to present a three-to-four- or five-to-six-year blueprint for "democratization."

Elaborating on Wednesday's statements made by the NKDP president, party spokesman Hong Sa-tok said, "A genuine consensus means a consensus of the people's desire for a direct presidental election system cannot be disregarded."

The NKDP leader's statements , he said, are aimed at "pointing to what the ruling DJP should do for another building of a democratic nation."

NKDP 'POLITICAL TURBULENCE' DRAWS TO AN END

SK270226 Seoul THE KOREA HERALD in English 27 Dec 86 p 2

[News analysis by staff reporter Kim Chong-chan]

[Text] A political turbulence in the opposition New Korea Democratic Party is drawing to an end, as the party has confirmed its long-standing policy to urge a presidential system of government based on direct election.

Briefing reporters on yesterday's meeting between NKDP President Yi Min-u and party adviser Kim Yong-sam, a party spokeman said that Yi and Kim agreed the NKDP'S position to push for a direct election "remains unchanged."

The NKDP president set off controversy Wednesday by signaling his conditional willingness to agree to interparty negotiations over constitutional revision featuring a cabinet system of government.

In his meeting with Yi, Kim, one of the two de facto leaders of the NKDP, also agreed to back off from his faction's earlier demand for revamping the party structure.

The faction called for the replacement of party President Yi Min-u with Kim for a "powerful" leadership to meet the situations concerned with the projected constitutional reform.

The Kim Yong-sam group, the largest faction in the NKDP, sought to hold a special national convention early next year to introduce the powerful leadership.

The faction's demand has been met with negative responses from another majority intraparty faction, headed by Kim Tae-chung, as well as party President Yi.

The Kim Tae-chung faction agreed to the need for revamping the party structure, but expressed an unfavorable response to its rival faction's demand for the replacement of Yi.

A spokesman for the faction said the faction's agreement to the need for revamping the party structure does not necessarily mean that Yi should resign.

The faction was said to have called for more participation by dissident figures in the operations of the main opposition NKDP.

Political sources paid keen attention to the Kim Tae-chung faction's position on the issue of introducing a new leadership of Kim Yong-sam.

They recalled the controversy that Kim Tae-chung had created in 1985 by proposing to share the roles as NKDP president and NKDP's presidential candidate with Kim Yong-sam.

Some political analysts construed the proposal as meaning that he intends to run for the president ahead of Kim Yong-sam.

Party President Yi expressed displeasure over the proposed idea of a new leadership.

Asserting that the change in the party would bring about a discord among party members, he stressed that "now is the time for the two Kims, other party members and myself to concentrate on the struggles (for democratization) with the sense of solidarity."

Non-mainstreamers and a reformist group opposed the idea. They demanded that the two Kims stop controlling the party from behind the scenes.

A spokesman for the Kim Yong-sam faction explained that the group's demand for the introduction of the powerful leadership is aimed at "crushing the ruling Democratic Justice Party's scheme to perpetuate its rule."

"What we worry about is that the ruling DJP may push through the National Assembly its own constitutional amendment bill featuring a cabinet government system at an early date," he said.

Political tension arose earlier this month when the ruling DJP showed signs of forwarding its proposal for constitutional revision "before the winter is over."

Kim Yong-sam faction's retreat from its previous call for introducing a new leadership follows party leader Yi's announcement Wednesday of his conditional willingness to discuss the cabinet system.

Yi's remarks drew keen attention because it was the first time that the NKDP leader had hinted at willingness to agree to interparty negotiations over constitutional revision featuring the cabinet system.

Backing off from the party's policy of urging the presidential system based on direct popular voting, Yi told a year-end news conference Wednesday that his party might be willing to negotiate for the cabinet system if seven preconditions for "democratization" were met.

The two Kims made critical remarks about the controversial statement, while non-mainstreamers and some followers of the two "godfathers" of the opposition expressed favorable responses, thus creating another controversy within the NKDP.

The ruling DJP and the main opposition NKDP has been in a bitter confrontation over the form which the next government should take.

Political observers interpreted Kim Yong-sam faction's decision to back off from its previous demand for a leadership change as meaning that Kim does not want the controversy over Yi's remarks to continue any longer.

NO TAE-U ON INTERPARTY MEETINGS, NKDP'S DEMANDS

SK270232 Seoul THE KOREA HERALD in English 27 Dec 86 p 2

["Excerpts" from year-end news conference of No Tae-u, chairman of the Democratic Justice Party, held at party headquarters on 26 December]

[Text] Question: Are you willing to arrange a meeting of top leaders of political parties as was proposed by New Korea Democratic Party President Yi Min-u?

Answer: I believe that what President Yi told a press conference Dec. 24 was accurately covered by the press.

To read between the lines, I assume the NKDP hinted at the possibility that it may negotiate constitutional revision for the cabinet system of government.

If developments dictate the convening of such a meeting, I believe that top party leaders' talks (which would include President Chon Tu-hwan, who is also president of the ruling party) can be held.

Q: How will you deal with Yi's seven-point proposal?

A: In an address to the National Assembly during its regular session, I promised to accept some of opposition demands if they are not against our proposal to introduce the cabinet system.

These include the political neutrality of public officials and the introduction of local autonomy. I also promised to formulate a fair election system.

We will positively consider the seven-point proposal which press reports said President Yi put forward.

Q: What is your response to the opposition's call for the repealing of the Basic Press Act, amnesty for political dissidents and the restoration of their civil rights?

A: We will comply with the opposition's call for negotiations on the proposal.

Q: Will you please elaborate on the revision of election laws?

A: We are preparing it. But the revision of election laws is an important issue, whose resolution we have to negotiate with the opposition.

I cannot disclose it now. It will be disclosed during negotiations. What I can say now is that we are preparing fair election laws which all nations desires. [as published]

Q: When do you expect the Constitution to be revised?

A: I regret that the timing is not fixed yet. We cannot delay it again and again. It would be good to begin negotiations as soon as possible.

I believe that negotiations on constitutional revision should become the basis for negotiations on the revision of election, National Assembly and government organization laws.

Q: Do you think it is necessary to create a separate body to negotiate on the seven-point proposal?

A: That can be negotiated at the Special Constitution Revision Committee, at a meeting of party secretaries general or floor leaders, or at a separate body.

Q: Do the negotiations over amnesty and restoration of civil rights involve Kim Tae-chung?

A: The problem is not solely a political one. It also involves judicial considerations, while at the same time requires a resolve or tolerance of the head of state. The matter should be considered in accordance with legal proceedings and the attitudes of the people concerned. We (the DJP) are willing to negotiate over the issue with the opposition on a selective basis.

Q: They say Kim Sang-hyon is among the list considered for restoration of civil rights.

A: Please understand that I cannot but give you a broad answer.

Q: Did you change the standard for the amnesty and restorations, and the Basic Press Act?

A: No. It is rather that you can concede or back off in negotiations skills. [sentence as published]

Q: Can you reveal the future political schedules leading to 1988?

A: The sooner the political schedule, the better. The revision of the Constitution is nothing but a start. Considering the mountains of work to be accomplished in connection with the revision, you can guess how fast the things need to be done.

Q: What are you going to do with the special constitutional panel if the main opposition party stays passive about participating in it?

A: The mood for the normalization of the panel has been made better.

Q: Do you have any special considerations of the NKDP president Yi?

A: Yi made the Dec. 24 remarks in the capacity of a president of a political party, not as a plain individual, after converging the opinions of the party, I believe. In a broader sense, his remarks are reflective of the people's opinions. We should refrain from thinking of them in a narrow partisan thought.

Q: Has the DJP made any sincere efforts for realizing the "democratization" as manifested in the keynote speech by the party chairman No in the last regular Assembly?

A: We are making various efforts. It is because we have endeavored for the purpose that we took Yi's proposal in the affirmative.

Q: How about the implementation of the local autonomy system?

A: The issue is pending in the Assembly, and the only thing left is to negotiate the timing of the implementation with the opposition. There's no change in our position to put the system into practice.

Q: What about the national convention of the ruling DJP next year and the nomination of the candidate for a next head of state?

A: It is not late when we think about those matters after the constitutional amendment.

Q: One of the main reasons for blaming the DJP-proposed cabinet government system is that it doesn't clarify relations between the prime minister and party president...

A: The determination of President Chon Tu-hwan to realize a peaceful power transfer is firm. Groundless rumors concerning the matter will harm the spirit of the single-term presidency.

KPRP POLITICAL BUREAU HOLDS MEETING 23 DEC

BK250420 Phnom Penh Domestic Service in Cambodian 1300 GMT 24 Dec 86

["Communique of the KPRP Central Committee Political Bureau" -- date not given]

[Text] During its meeting held on 23 December 1986, the KPRP Central Committee Political Bureau listened to the report by Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the PRK Council of State on the activities of the PRK party-state delegation that he led to attend the Sixth CPV Congress. The Political Bureau highly valued and warmly welcomed the brilliant success of the congress -- an important turning point of the revolutionary feats of the fraternal Vietnamese party and people, thus opening good prospects for the future development of the SRV. The Political Bureau highly valued all the resolutions this congress adopted with a new way of thinking, particularly in economic thinking, work system, organization, and cadre workstyle, thus responding to the nation's requirements and conforming with the trend of the era.

The Political Bureau totally agreed on all the points discussed during the work sessions and meetings held between the KPRP delegation and various foreign delegations. It welcomed and totally agreed on all the points discussed during the summit meeting of the three parties of Cambodia, Vietnam, and Laos led respectively by Comrade General Secretary Heng Samrin, Comrade General Secretary Nguyen Van Linh, and Comrade General Secretary Kaysone Phomihan, which aimed at enhancing the solidarity, friendship, and all-round cooperation among the three parties and three countries. The Political Bureau agreed with the proposal for covening a summit meeting of the three countries in 1987 with the aim of realizing the above-mentioned goals.

The Political Bureau welcomed and totally agreed with the points raised at the meeting between Comrade General Secretary Heng Samrin and Comrade Ligachev, member of the Politburo and secretary of the CPSU Central Committee, during which they agreed upon the assessment of the situation and goals to enhance the all-round cooperation between the two parties and two countries -- the PRK and the Soviet Union -- for the cause of peace, progress, and socialism.

On the same occasion, the KPRP Central Committee Political Bureau listened to the report by Comrade Chea Sim, member of the KPRP Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council, on the activities of the high-ranking PRK National Assembly delegation led by himself which had just paid an official friendship visit to the People's Socialist Republic of Albania from 1 to 4 December 1986. The Political Bureau highly valued and warmly welcomed the brilliant success of this visit and regarded this visit as a bridge to open new relations in various other fields between the PRK and the People's Socialist Republic of Albania. The Political Bureau also welcomed and highly valued all the great achievements scored during the past more than 40 years by the Albanian people under the wise leadership of the Albanian Workers Party, as well as the success of the recent Ninth Albanian Workers Party Congress.

The Political Bureau agreed with and highly valued the outcome of the friendly meetings between Comrade Chea Sim and Comrade Ramiz Alia, first secretary of the Albanian Workers Party Central Committee; and Comrade Adil Carcani, chairman of the Council of Ministers of the People's Socialist Republic of Albania, as well as the satisfactorily fruitful outcome of the official talks held between the delegations of the two national assemblies.

The KPRP Central Committee Political Bureau regarded the warm and cordial reception accorded our delegation by the top Albanian party-state leaders as a significant contribution to further strengthening and developing the friendly relations and cooperation between the PRK and the People's Socialist Republic of Albania and between the KPRP and the Albanian Workers Party, as an important encouragement to the revolutionary struggle waged by the Cambodian people in rebuilding a new Cambodia, and an active contribution to enhancing the PRK's prestige in the international arena.

VONADK REPORTS ATTACK ON HOTEL IN SIEM REAP

BK280018 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 27 Dec 86

[Text] 1. On the night of 20 December, our National Army's commandos lobbed grenades at the hotel where Soviet and Indian advisers are staying in the center of Siem Reap. Our commandos also lobbed two grenades at the Vietnamese soldiers guarding this hotel, killing three on the spot and causing panic among Soviet and Indian advisers. Vietnamese soldiers in the entire Siem Reap provincial town panicked and fired indiscriminately all night.

2. Also on the night of 20 December, our National Army fired DK-82 guns at the Vietnamese enemy in the Ang Krapoe area, killing three and wounding eight Vietnamese soldiers. Following our grenade attacks against the hotel of Soviet and Indian advisers and the shelling of the Ang Krapoe area of Siem Reap town on 21 December, seven Vietnamese helicopters landed in Siem Reap town and immediately took off.

VONADK REPORTS ATTACKS ON SIEM REAP, PHNOM PENH

BK290016 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 28 Dec 86

[From the "Report From Various Battlefields" feature]

[Excerpt] Siem Reap battlefield: 1. On 22 December, our National Army fired another three 107-mm rockets into Siem Reap international airport hitting the runway and Vietnamese enemy's living quarters, killing eight and wounding five Vietnamese soldiers. This has caused further panic among the Vietnamese enemies.

2. Also on 22 December, our National Army's commandos exploded mines destroying the generator in Siem Reap town causing a blackout in the entire city. This has caused further panic among the Vietnamese. Siem Reap town is currently in a state of constant alert.

On 22 December, our National Army fired three 107-mm rockets at the Vietnamese enemy's 479th field command in Puok District seat, hitting the Vietnamese who were at a meeting, killing six and wounding two, destroying a warehouse containing war materiel, and causing panic among the Vietnamese soldiers. On 22 December, our National Army's commandos lobbed two grenades at a Vietnamese battalion command post in Prey Nhoar in Puok District, killing four, including a battalion commander and a company commander, and wounding two.

Phnom Penh battlefield: On 21 December, our National Army's commandos lobbed grenades at Vietnamese administrators who were at a meeting in Boeng Trabek, Phnom Penh, killing two and wounding four and causing panic in the capital. [Passage omitted]

PRC FOREIGN MINISTRY DELEGATION ENDS VISIT

BK250951 Vientiane KPL in English 0928 GMT 25 Dec 86

[Text] Vientiane, Dec 25 (KPL) -- At the invitation of the Foreign Ministry of the Lao PDR, the delegation of the Foreign Ministry of the People's Republic of China led by its deputy foreign minister, Liu Shuqing, paid a visit to the Lao PDR from December 20 to 25, 1986 to hold talks on the normalization of relations between the Lao PDR and the PRC.

The delegation of the Foreign Ministry of the Lao PDR led by its first deputy minister, Khamphai Boupha held talks with the PRC's Foreign Ministry delegation. At the talks, both the Lao and Chinese sides reaffirmed their aspirations to restore and normalize the relations between the two countries for the benefits of both Lao and Chinese peoples as well as for the interest of peace and security in Indochina and Southeast Asia. In addition, each side frankly disclosed its principles position and its view of what needs to be done in order to speedily reach the overall said objective. Each side will study the view of each other.

In the morning of December 25, 1986, Liu Shuqing and members of his delegation paid a courtesy visit to Phoun Sipaseut, vice-chairman of the Council of Ministers and foreign minister of the Lao PDR. During its visit to the Lao PDR, the Foreign Ministry delegation of the PRC visited some economic and cultural sites in Laos.

Deputy Foreign Minister Liu Shuqing invited the first deputy foreign minister Khamphai Boupha to lead a delegation of the Foreign Ministry of Laos to visit China in view to further hold talks for the normalization of relations between Laos and China. The first deputy foreign minister of Laos, Khamphai Boupha, gladly accepted the invitation. The time of the visit will be decided through diplomatic channel.

KAYSONE PHOMVIHAN RETURNS FROM CPV CONGRESS

BK261207 Vientiane Domestic Service in Lao 1200 GMT 20 Dec 86

[Text] Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers, led the Lao delegation on its return to Vientiane capital this morning after attending the Sixth CPV Congress at the invitation of the CPV Central Committee.

Welcoming Comrade General Secretary Kaysone Phomvihan and his party at Wattai Airport were comrade members of the Political Bureau of the party Central Committee and comrade secretaries of the party Central Committee, namely, Comrade Nouhak Phoumsavan, Comrade Phoumi Vongvichit, Comrade General Khamtai Siphandon, Comrade Phoun Sipaseut, Comrade Sisavat Keobounphan, Comrade Sali Vongkhamso, and Comrade Maichantan Sengmani.

Comrade Vu Tien, SRV charge d'affaires A.I. to Laos, was also on hand to welcome Comrade Kaysone Phomvihan and his party.

PASASON HAILS SUCCESS OF SIXTH CPV CONGRESS

BK230845 Vientiane Domestic Service in Lao 0000 GMT 19 Dec 86

[PASASON 19 December editorial: "Wholeheartedly Hail the Success of the Sixth CPV Congress"]

[Text] After energetically working with a sense of unity, unification, and profound proletarian internationalism, on the afternoon of 18 December the Sixth CPV Congress closed with glorious success. Gallantly daring to identify the truth, assess the situation truthfully, speak the truth, and hold aloft the Leninist spirit of self-criticism, the Sixth CPV Congress reviewed the achievements in the cause of socialist construction and national defense over the past 5 years. At the same time, it also identified the remaining weak points and shortcomings in the implementation of the party's guidelines, drew realistic and theoretical lessons, and defined the objectives and tasks of the revolution in the years to come. The congress elected a new CPV Central Committee with outstanding comrade members who are models in using wisdom and maintaining the party's unity and unification.

Responding to the personal wishes of Comrade Truong Chinh, general secretary of the party Central Committee, made on the grounds of old age and poor health, the congress elected Comrade Nguyen Van Linh as general secretary of the CPV.

The success of the CPV congress marks a new revolutionary and scientific development in the new style of thinking, for example thinking about the economy, working methods, and new manpower and organizational changes. It also marks a significant development in continuing the party's leadership and the relations between the party and the masses. It is an important turning point in the history of the revolutionary activities carried out by the party and the basis for strengthening the successes scored and for leading the tasks of socialist construction and national defense to march forward firmly, thereby creating a new posture for the development of socialist Vietnam.

Correctly appreciating the law of nature, revolutionary theory, and reality, the congress fulfilled another stage of the overall economic guidelines adopted at the Fourth and Fifth CPV Congresses by outlining new scientific and realistic guidelines and tasks for the years to come in the early period of the advance toward socialism. The congress pointed out the two strategic tasks of the Vietnamese revolution -- to complete the building of socialism and to securely defend the country -- that will determine the guidelines, tasks, and objectives for socioeconomic development in the 5-year plan, aimed at continuing and fulfilling socialist transformation and construction. For example, in the immediate future, efforts must be concentrated on implementing foodstuffs and foodgrain production projects and projects to produce essential goods and goods for export, thereby creating new conditions for improving the people's living conditions and for developing the economy.

The congress emphasized the strengthening of the right to collective mastery, the raising of the level of efficiency in the management of government apparatuses in building the party, increasing the party's combat strength, the continued raising of the level of class awareness and the quality of the party's vanguard unit, and changes in thinking, primarily in the economic field, working methods, and the organizing and training of cadres.

The congress also paid attention to the issue of younger leadership and management cadres while ensuring the continuity of party leadership work and unity and unification within the party.

The Sixth CPV Congress continued to pursue the foreign policy of peace and friendship, aimed at strengthening the special relations, militant solidarity, and all-round cooperation among the parties, states, and peoples in the three Indochinese states, strengthening solidarity and all-round cooperation with the Soviet Union and the other socialist countries on the basis of Marxism-Leninism and lofty socialist internationalism.

The Lao communists and people of all tribes have closely followed the proceedings of this congress and are very elated at its success. We hope the success of this congress will be a great impetus and beacon illuminating the path for the entire Vietnamese party, army, and people to heighten their traditions of revolutionary heroism, taking the cause of socialist construction and national defense to overcome all difficulties and obstacles to march forward and create a new situation for the country. We regard the success of the Sixth CPV Congress as our own because every stage of development of the Vietnamese revolution has always had profound repercussions on our people's revolution and those of the three Indochinese countries and is an important factor ensuring the victory of the struggle for defending peace and security in Southeast Asia and the world.

The Lao communists and people of all tribes sincerely extend warm congratulations to the new CPV Central Committee and to CPV Central Committee General Secretary Comrade Nguyen Van Linh. We pledge to further strengthen the special relations, militant solidarity, and all-round cooperation between Laos and Vietnam as well as among Laos, Vietnam, and Cambodia and with the Soviet Union and the other fraternal socialist countries.

We extend our wholehearted salutations and congratulations to the success of the Sixth CPV Congress and hope that the CPV will lead the Vietnamese people to victory in realizing the resolutions of the congress so as to take the cause of the Vietnamese revolution to a new, greater stage of development.

PHOUN SIPASEUT GREETS CAMBODIAN COUNTERPART

BK271347 Vientiane Domestic Service in Lao 0500 GMT 13 Dec 86

[11 December Greetings Message from LPDR Foreign Minister Phoun Sipaseut to Cambodian Minister of Foreign Affairs Kong Korm]

[Text] On the occasion of your appointment as minister of foreign affairs of the PRK, on behalf of the LPDR Foreign Ministry and in my own name, I am happy to extend warm, fraternal congratulations and best wishes to you.

I am convinced that with your ability and rich experience, and enjoying the trust of the Cambodian party and state, you will actively contribute to the implementation of the party and state's foreign policy for the cause of defending and building the Cambodian fatherland along the socialist path and for the strengthening of the fraternal friendship, special militant solidarity, and all-round cooperation between the two parties, states, and peoples of Laos and Cambodia as well as among the three parties, states, and peoples of Laos, Vietnam, and Cambodia for the cause of defending peace in Southeast Asia and the world.

I wish you good health and every success in carrying out your lofty tasks.

LIU SHUQING INTERVIEWED ON TALKS IN LAOS

BK251245 Bangkok XIN ZHONG YUAN RIBAO in Chinese 26 Dec 86 p 16

[Excerpt] A 5-member PRC Foreign Ministry delegation led by Vice Foreign Minister Liu Shuqing arrived in Bangkok from Laos at 1410 on 25 December for a 5-day friendly visit to Thailand. The delegation was warmly welcomed at the airport.

The members of the delegation are Vice Foreign Minister Liu Shuqing, Director of the Asian Affairs Department Yang Zhenya, First Secretary of the Asian Affairs Department Guan Dengming, Third Secretary of the General Office of the Foreign Ministry Sun Guoxiang, and Third Secretary of the Asian Affairs Department Zhong Wen.

They were warmly greeted at Don Muang Airport by Deputy Director General of the Protocol Department of the Foreign Ministry Chittrik [Setthabut], PRC Ambassador Zhang Dewei, first secretaries of the PRC Embassy Qi Zhijia and Yan Tingai, other senior officials, and members of the media.

Vice minister Liu Shuqing held a press conference at the airport VIP room to answer questions by Thai, Chinese, and English reporters. His straightforward answers and pleasant manner made a deep impression on the journalists present. Here is what he said:

Question: What are the achievements of your visit to Laos?

Answer: The Lao visit was made at a time when both sides had not contacted each other for several years. It strengthened understanding. Having contact is better than no contact.

Question: You are on a visit to Thailand. What topics are you going to discuss?

Answer: Our country and Thailand are good friends. Although we have no agenda, we can discuss any issue.

Question: During your visit to Laos, what did you discuss on the resumption of Sino-Lao relations?

Answer: Both sides want to improve bilateral relations. The Chinese side offered some opinions on improving relations. The Lao side said that it needs time to consider them. The Lao side did not give any specific views. It only expressed a desire to improve relations. The two sides did not hold any specific discussions on international issues. Laos raised two issues. The first concerned China's support for Lao resistance groups, and the second was with respect to China's relations with Indochina and Vietnam. On the first issue, I told them that there is no question of China supporting the Lao resistance groups. As for the second question, I said that times have changed. In past years Vietnam was a victim of aggression and we supported Vietnam's fight against the aggressors. Now Vietnam is committing aggression against Cambodia. We can only stand with the victim of aggression.

Question: Did you invite Lao delegations to visit China?

Answer: We invited a Lao deputy foreign minister to pay a visit to China at a suitable time. They accepted the invitation in principle.

Question: What is the background of your visit to Laos?

Answer: Both of us want to improve bilateral relations. When Laos extended an invitation for a Chinese vice foreign minister to visit, we accepted it. My visit was the result of that invitation.

Question: Has Laos asked Vietnam to withdraw its troops from Cambodia?

Answer: This is a matter between the two of them and we cannot interfere.

Question: Will China and Laos upgrade their diplomatic relations? What are the trade relations like?

Answer: China proposed upgrading diplomatic relations from charge d'affaires to ambassadorial level. Laos accepted the suggestion for further consideration. We did not specifically discuss trade issues.

Question: How about the Sino-Vietnamese issue? Did you discuss this while in Laos?

Answer: During my visit to Laos, we briefly touched on the issue. China opposes the Vietnamese aggression against Cambodia. Only when Vietnam withdraws its troops from Cambodia can the problem between China and Vietnam be settled.

Question: What are the prospects for Sino-Lao relations and the exchange of diplomatic officials?

Answer: During a meeting with the Lao foreign minister this morning, we also discussed this matter. Both of us realized that talks can help strengthen understanding, and agreed that we will continue to increase contacts in the future. China has three diplomatic officials in Laos while the Lao side has four in China.

In conclusion Vice Foreign Minister Liu Shuqing asked the press to convey the Chinese people's cordial greetings and good wishes to the Thai people. [passage omitted]

Assures No Aid to Rebels

BK260145 Bangkok THE NATION in English 26 Dec 86 p 5

[Excerpts] China's Vice Foreign Minister Liu Shuqing yesterday denied that Beijing has given support to overseas Laotian resistance groups fighting to topple the communist Laotian Government.

Liu said he gave the assurance to his Laotian counterpart Khamphai Boupha during their talks in Vientiane. He said Khamphai claimed China had provided assistance to Laotians living in exile.

"We have made it clear to Laos that there is no such problem," he said through an interpreter during an interview at Don Muang Airport upon his arrival from Vientiane where he spent five days meeting Laotian offficials in a bid to improve the relations between the two countries.

When Dr Arun Phanuphong, an advisor to the prime minister, visited Vientiane last month, Laotian Deputy Foreign Minister Souban Salitthilat also voiced concern over the same issue. Laos alleged that Thailand and China were involved in training Laotian rebels, estimated to number 8,000 and based inside Thai territory. [passage omitted]

The Chinese minister also called on Laotian Foreign Minister Phoun Sipaseut and an informed source said that Phoun told Liu that his visit was significant and marked the first step to improving the ties of the two countries.

Besides visiting the Nam Ngum Dam in the northeastern part of Vientiane, Liu also met with leaders of Chinese community in Laos, which has about 2,000-3,000 members.

Lui said the discussions were good and both sides were hopeful that the relations will be improved in the future.

A senior Thai Foreign Ministry official told THE NATION that in the future talks China will offer to resume some parts of its aid, which was cut in 1979, to Laos provided that the Chinese-Lao ties have made progress.

Foreign Minister Sitthi Sawetsila had an informal discussion with Liu last night before a dinner at the Foreign Ministry.

Liu will meet today with M.R. Kasem S. Kasemsi, permanent secretary for foreign affairs. [passage omitted]

The delegation will spend the weekend in Phatthaya and return to Beijing on Tuesday.

GOVERNMENT REPORTEDLY ARRANGING PRC-INDIA MEETING

BK280740 Bangkok MATICHON in Thai 27 Dec 86 p 2

[Text] A government source disclosed on Friday that Thailand is acting as middleman to arrange a meeting between PRC Vice Foreign Minister Liu Shuqing and Indian Foreign Minister Narayan Datt Tiwari. Liu is currently in Bangkok for a visit after his visit to Laos, while the Indian foreign minister has just concluded a visit to Thailand and is now on a visit to Burma. The source said the Indian foreign minister will return to Bangkok to meet the PRC vice foreign minister on issues of mutual interest, probably the Indian-PRC border and the Cambodian problem.

FURTHER REPORTAGE ON NATIONAL ASSEMBLY SESSION

BK241340 Hanoi Domestic Service in Vietnamese 1100 GMT 24 Dec 86

[By station correspondent Kim Cuc]

[Text] The 7th SRV National Assembly opened its 12th Session at the Ba Dinh Conference Hall in Hanoi this morning. Before opening, the National Assembly deputies paid tribute to President Ho Chi Minh at his mausoleum. Attending the opening session were Comrades Nguyen Van Linh, general secretary of the CPV Central Committee; Truong Chinh, chairman of the Council of State; Pham Van Dong, chairman of the Council of Ministers; Nguyen Huu Tho, chairman of the National Assembly; and many other comrade party and state leaders. The diplomatic corps and representatives of various international organizations in Hanoi were also on hand.

At 0830 [0130 GMT] the 12th Session of the 7th National Assembly began its work. [Prolonged applause, followed by playing of the national anthem] Nguyen Huu Tho, chairman of the National Assembly read the opening speech:

[Begin recording] Esteemed Comrade General Secretary Nguyen Van Linh, esteemed Comrade Chairman of the Council of State Truong Chinh, esteemed Comrade Chairman of the Council of Ministers Pham Van Dong, dear comrade National Assembly deputies:

I affectionately greet the comrade deputies attending the 12th session, the session that concludes the term of the Seventh National Assembly. I warmly welcome the comrades and friends in the diplomatic corps who are attending this opening session of the SRV National Assembly. [applause]

Our National Assembly is holding this session with enthusiasm after the Sixth CPV Congress has achieved fine success. [applause] The resolution of the party congress has brought about a new understanding, new way of thinking, and a new strength. It inspires and leads our people in overcoming the immediate difficulties in continuing to advance steadily to build socialism and defend the fatherland, thereby making worthy contributions to the cause of peace, national independence, democracy, and social progress throughout the world. The resolution of the party congress will illuminate the activities of our National Assembly.

In this session, the National Assembly will discuss the reports by the Council of Ministers on the status of implementation of the 1986 state plan and state budget, decide on the tasks of the 1987 state plan and state budget, ratify the final account of the 1985 state budget, and pass the draft law on marriage and family. The National Assembly will hear reports on the world situation and on diplomatic activities of our party and state in the last 6 months of 1986. In this session the National Assembly will also issue a statement in response to the appeal by the Supreme Soviet of the USSR on taking firm actions to build a new world free from nuclear weapons.

Dear comrade National Assembly deputies, in the light of the resolution of the sixth party congress and with a sense of endeavor to enable the National Assembly, the highest organ of state authority, to fully discharge its responsibilities toward the people in making decisions on major issues of the state and in formulating laws and strengthening the socialist legal system, let the comrade National Assembly deputies bring democracy into play and contribute many constructive and practical opinions, thereby allowing the last session of the seventh National Assembly to achieve fine success. In this belief, may I declare the 12th Session of the 7th National Assembly open. [applause] [end recording]

After the opening speech, Chairman Nguyen Huu Tho read a eulogy for the late CPV General Secretary Le Duan. Chairman Nguyen Huu Tho said:

[Begin recording] Dear Presidium, National Assembly deputies, comrades, and friends: Today, our National Assembly deputies solemnly turn their thoughts to Comrade General Secretary Le Duan who passed away and left us for good on 10 July 1986 at the age of 79. Our National Assembly, together with the entire party, people, and the Armed Forces were boundlessly grieved at the loss of Comrade Le Duan, an outstanding leader of our party and people, an unyielding combatant of the communist, international workers, and national independence movements.

During his almost 60 years of revolutionary activities carried out in a manner faithful to Marxism-Leninism, the Vietnamese fatherland, and the people's interests, Comrade Le Duan's working life was closely tied to our nation's revolutionary process led by the party. He was one of the outstanding students of esteemed President Ho Chi Minh. He sacrificed his whole life for the cause of national liberation, unification, and leading the nation toward socialism. Comrade Le Duan underwent many ordeals in the revolutionary struggle. He carried out many practical and concrete activities in both South and North Vietnam.

During years of capitivity and torture by the enemy, Comrade Le Duan consistently and firmly maintained the revolutionary impetus of a communist. With his status as the CPV General Secretary, Comrade Le Duan greatly contributed to the brilliant victory of the anti-U.S. resistance struggle for national salvation and the cause of socialist construction. He always paid special attention to the tasks of the National Assembly and consistently performed his duty as a National Assembly deputy from the second through the seventh legislatures.

In remembrance of Comrade Le Duan, we are determined to do our best to strengthen unity around the party Central Committee led by General Secretary Nguyen Van Linh, strive to successfully carry out resolutions of the Sixth CPV Congress, continue to carry out the sacred testament of great President Ho Chi Minh, strive to overcome numerous difficulties and shortcomings, triumphantly build socialism, firmly defend the Vietnamese socialist fatherlan, and strengthen the militant solidarity and the comprehensive cooperation with the Soviet Union, Laos, Cambodia, and other socialist countries, thereby contributing appropriately to the world people's struggle for peace, national independence, democracy, and social progress.

I solemnly propose that all National Assembly deputies, comrades, and friends observe a moment of silence in memory of Comrade Le Duan. [end recording]

Afterward, Comrade Vo Van Kiet, vice chairman of the Council of Ministers and chairman of the State Planning Commission, on behalf of the Council of Ministers, presented to the National Assembly a report on the 1987 socioeconomic development plan.

In the opening session this morning, National Assembly deputies also heard Comrade Tran Quang Huy, chairman of the National Assembly Judiciary Committee, read a report on the draft law on marriage and family; and Comrade Vu Tuan, Minister of Finance, on behalf of the Council of Ministers, read a report on the implementation of the 1986 state budget, the 1987 draft budget, and the final account of the 1985 state budget.

Communique No 1 Issued

BK241505 Hanoi Domestic Service in Vietnamese 1430 GMT 24 Dec 86

[Communique No 1 of the 12th Session of the 7th National Assembly]

[Text] On 24 December 1986, the 7th National Assembly of the SRV began its 12th session at the Ba Dinh Conference Hall in Hanoi. Comrades Nguyen Van Linh, general secretary of the CPV Central Committee; Truong Chinh, chairman of the Council of State; Pham Van Dong, chairman of the Council of Ministers; and many other comrade party and state leaders attended the session. The diplomatic corps and representatives of various international organizations in the capital were also present. After paying tribute to President Ho Chi Minh at his mausoleum, the National Assembly held its opening session. National Assembly Chairman Nguyen Huu Tho delivered the opening speech and read a eulogy for Comrade General Secretary Le Duan. The National Assembly observed one minute of silence in memory of the late general secretary. The National Assembly chairman directed the session.

The National Assembly heard Vo Van Kiet, vice chairman of the Council of Ministers and chairman of the State Planning Commission, present on behalf of the Council of Ministers a report on the 1987 socioeconomic development plan; Tran Quang Huy, chairman of the National Assembly Judiciary Committee, present the committee's report on the draft law on marriage and family; and Finance Minister Vu Tuan present on behalf of the Council of Ministers a report on the implementation of the 1986 state budget and the draft state budget for 1987 and a report on the final account of the 1985 state budget.

Vo Van Kiet Economic Report

OW261606 Hanoi VNA in English 1523 GMT 26 Dec 86

["Report on Implementation of 1986 Plan for Socioeconomic Development" -- VNA headline]

[Text] Hanoi VNA Dec 26 -- The current 12th session of the National Assembly of the SRV on Dec. 24 heard a report on the implementation of the 1986 plan for socioeconomic development delivered by Vo Van Kiet, vice-chairman of the Council of Ministers and chairman of the State Planning Commission. Main points follow:

In agricultural production, annual average rice productivity stood at 2.83 tons per ha compared with 3.04 tons under plan. Food output (in rice equivalent) was 18.5 million tons, up by 0.3 million tons over 1985 but down by 1.5 million tons under plan.

Industrial crops reached 93.3 per cent of the plan in terms of hectarage up by 4.8 per cent over 1985. Short-term industrial plants, however, covered only 88.6 per cent of the plan or equal to 1985. The plan for long-term industrial crops such as rubber, coffee and tea was fulfilled. Output of coffee increased by 25 per cent, and tea by 12 per cent compared with 1985. In livestock-breeding, the number of oxen and cows rose by 7 per cent, up to the target. The number of buffaloes and poultry was higher than the 1985 marks but fell short of target. The number of pigs remained unchanged from 1985.

The value of local industry outputs increased 9.4 per cent in Hanoi, 11 per cent in Haiphong, 15 per cent in Dong Nai Province etc. The value of consumer goods rose 6.3 per cent over 1985. In heavy industry, the plan for some branches like coal mining, steel, tin, electric motors, transformers, pumps, tractors, phosphatous fertilizer etc. was fulfilled. The transport programme was fulfilled for imported goods, but was achieved by only 83 percent on the north-south lines.

On the whole, although many important targets were not attained, there have been marked increases over 1985 in many areas. Gross social product was up by 4.2 percent, national income by 4.3 percent, industrial output value by 5.6 percent and agricultural output value by 1.4 percent.

The 1987 plan calls for bigger efforts to carry out the three major economic programmes, i.e. the food grain and foodstuffs programmes, the consumer goods programme and the export commodities programme. Total food crop acreage is put at nearly 7 million hectare, up 2.8 per cent over 1986, of which the area under subsidiary food crops will expand by 5.9 per cent. Food grains output is expected to total 19.2 million tons (in rice equivalent). Direct investment in agriculture will rise to 28.5 per cent of the total investment compared to 24.5 per cent in 1986, half of which will be devoted to food grain production.

In 1987, big efforts must be made to increase rapidly to supply enough common consumer goods for the population, first of all those made of raw materials found in the country. The value of consumer goods is expected to increase by ten percent over 1986: nine percent for paper, ten per cent for medicines, 31 percent for sugar, 13 percent for tea, 17 percent for export fruits and vegetables, etc.

Special attention shall be paid to developing small industry and handicraft production through the streamlining of the production force to make better use of the present capabilities especially in Ho Chi Minh City and Hanoi.

Production of export commodities is a major economic programme which plays a decisive role in the implementation of other socio-economic programmes. The export value in 1987 shall increase by 16.4 percent over 1986. The main commodities for export are agricultural produce and products of light and small industries and handicrafts required by international commitments.

In heavy industry, electric output is targeted at 6.13 billion kwh, up by six percent over 1986 in order to meet 90 percent of the demand. Coal output is put at 6.5 million tons, up by 8.2 percent over last year, cement output is to reach 1.8 million tons, up by 17 percent over 1986.

Oil and gas prospection shall be continued at the southern continental shelf. The installation of the 4th and 5th oil rigs and the assembly of the pipelines must be completed in 1987 while active preparations must be made for the building of the oil refinery. Gas utilization must be expanded in north Vietnam where survey and prospection for oil and gas must also be continued.

AFP Cites Economic Report

BK271120 Hong Kong AFP in English 1055 GMT 27 Dec 86

[By Laurent Maillard]

[Excerpts] Hanoi, Dec 27 (AFP) — Vietnam's ailing economy failed to perform to expectations in 1986 and the country faces more problems — particularly in the energy sector — in the coming year, a senior government official has warned. Vo Van Kiet, vice-premier and president of the State Planning Commission, said in presenting his report on the economy to the National Assembly here Wednesday that the country's economic situation had been "fraught with difficulties" in 1986 and remained "complex." He said that practically every sector of the economy had failed to perform according to plan, and warned that despite an improvement in the past two years Vietnam would continue to experience coal and electricity shortages in 1987. [passage omitted]

Mr Kiet said 1986's disappointing harvest, not helped by natural disasters, had been exacerbated by bureacratic inefficiency, which meant notably that peasants went without sufficient supplies of fertilizers and pesticides.

Official figures for industry were just as bleak with the sector growing by only 5.6 percent, less than last year's nine percent and the average of 12 to 15 percent since 1980.

Small industries expanded by only 4.9 percent, half as much as in 1985, and a long way off the 16 percent averaged in the early 1980's. Mr Kiet blamed disappointing results in this sector, which had "major potential," on "shortcomings in the state policy on purchase prices and supplies of raw materials." He added: "The quality of products continues to deteriorate."

Electricity and cement production also failed to come up to expectations but coal output met its target for the first time in several years, the minister said, without giving details. Western experts put the 1986 figure between 5.8 and six million tons. [passage omitted]

Vietnam failed to meet the targets of its ambitious programme to redeploy the work force and population, which was only 55 percent realized.

Internal trade fell: The government was able to buy only 61 percent of agricultural goods bought last year. The state had control of only 30 to 40 percent of the goods produced by small industry, which accounts for two-thirds of total industrial output. The government's share of the retail trade, which covers essential goods, fell by 15 percent in 1986, and "the activities of private traders and speculators could not be reduced," Mr Kiet said.

The budgetary deficit "largely exceeded forecasts," he said, without giving figures. According to official figures the deficit for 1986 was forecast at 12 billion dong (150 million dollars at the official exchange rate), or more than six percent of the gross domestic product.

Mr Kiet did not touch on the inflation rate, which according to Vietnamese and foreign experts was more than 700 percent in 1986, shaking an economy already disrupted by the introduction of new management methods.

The minister revealed that the population growth rate had slowed from 1985's 2.3 percent to 2.2 percent this year.

Vietnam, with some 60 million people, is threatened by overpopulation and campaigns to restrict the birth rate have encountered economic and cultural barriers, but Mr Kiet said a target growth rate of less than two percent had been set for 1987, the aim being to have a rate of 1.7 percent by 1990. [passage omitted]

25 Dec Session Outlined

BK250520 Hanoi Domestic Service in Vietnamese 0500 GMT 25 Dec 86

[Text] According to a report by the Voice of Vietnam radio correspondent, after hearing the report on the 1987 socioeconomic development plan, the report on the draft marriage and family law, the report on the implementation of the 1986 state budget and the draft state budget for 1987, and the report on the final account of the 1985 state budget, today, 25 December, the National Assembly deputies will discuss the above-mentioned issues in groups.

26 Dec Session Reported

BK261100 Hanoi International Service in English 1000 GMT 26 Dec 86

[Text] The 12th session of the Vietnamese National Assembly, seventh legislature, continued its work on Friday morning under the auspices of vice chairman of the National Assembly Nguyen Xien.

The session heard speeches by Nguyen Dam, acting chairman of the Economic, Planning, and Finance Committee; Hoang Truong Minh, president of the Nationalities Council; Tran Do, chairman of the Committee for Culture and Education; Tran Duc Luong, chairman of the Committee for Science and Technology; Duong Quoc Chinh, chairman of the Medical and Social Affairs Committee; and Le Thanh Dao, chairman of the Committee for Youth, Young Pioneers, and Children.

The session also heard a speech by Foreign Minister Nguyen Co Thach on the world situation, and diplomatic activities of our party and state in the last 6 months of 1986.

At the Friday afternoon session, the delegates discussed statements and budget You will hear excerpts of Vice Chairman of the Council of Minister Vo Van Kiet on the plan for socioeconomic development in Vietnam in 1987 after the news.

Communique No 2 Issued

BK261142 Hanoi Domestic Service in Vietnamese 1100 GMT 26 Dec 86

[Communique No 2 issued on 26 December by the 12th session of the 7th National Assembly]

[Text] After the Nationalities Council and the standing committees of the National Assembly met and National Assembly deputies worked in groups, the National Assembly held a plenary session on 26 December 1986 at the conference hall. Vice Chairman of the National Assembly Nguyen Xien directed the session.

The National Assembly heard Acting Chairman of the National Assembly Economic, Planning, and Budget Committee Nguyen Dang present the committee's report on the state plan and budget; Chairman of the Nationalities Council Hoang Truong Minh present the council's report on some policies and measures for stepping up the training of cadres and workers of ethnic minority origin in implementing the 1987 State Plan and in the coming period; Chairman of the National Assembly Culture and Education Committee Tran Do present the committee's report on the status of the struggle against superstitious beliefs, building a new lifestyle, and the quality of the selection and training of the contingent of cadres; Chairman of the National Assembly Science and Technology Committee Tran Duc Luong present the committee's report on mobilizing all scientific and technological potentials to successfully realize the three major targeted programs in the years ahead; Chairman of the National Assembly Public Health and Social Welfare Committee Duong Quoc Chinh present the committee's people's health and planning demographic development; and Chairman of the National Assembly Committee for Youth, Teenagers, and Children Le Thanh Dao present the committee's report on the issue of youth employment.

Minister of Foreign Affairs Ngyuen Co Thach, on behalf of the Council of Ministers, reported on the world situation and our party and state's foreign affairs activities in the last 6 months of 1986.

Communique No 3 Issued

BK271149 Hanoi Domestic Service in Vietnamese 1100 GMT 27 Dec 86

[Communique No 3 issued on 27 December by the 12th Session of the 7th National Assembly]

[Text] After the National Assembly deputies worked in groups, on 27 December the National Assembly held its plenary session at the conference hall. National Assembly Vice Chiarman Huynh Cuong directed the session.

The National Assembly heard the following deputies deliver their reports: Nghiem Xuan Yem, deputy from Hanoi capital; Nguyen Xien, deputy from Hanoi capital; Du Hue Lien, deputy from Ho Chi Minh City; Nguyen Thanh Phong, deputy from Dong Thap Province; Phan Tan Tien, deputy from Hau Giang Province; Vu Mi Ke, deputy from Ha Tuyen Province; Nguyen Thanh Quat, deputy from Ha Bac Province; Doan Trieu Nhan, deputy from Dac Lac Province; Tran Suyen, deputy from Phu Khanh Province; Dang Van Tiep, deputy from Dong Nai Province; Tran Quang Dat, deputy from Nghe Tinh Province; and Nguyen Kim, deputy from Hanoi capital.

Communique on Closing Session

BK291139 Hanoi Domestic Service in Vietnamese 1100 GMT 29 Dec 86

[Communique No 4 of the 12th session of the 7th National Assembly]

[Text] The 12th session of the 7th National Assembly just issued Communique No 4 saying that on 25 [as heard] December, the National Assembly held its plenary session at the conference hall. National Assembly Vice Chairman Phan Anh directed the morning session. The National Assembly heard the following members of the Council of Ministers answer questions by National Assembly deputies on behalf of the Council of Ministers: Hoang Quy, minister and vice chairman of the State Planning Commission; Vu Tuan, minister of finance; Phan Van Tien, acting chairman of the State Price Commission; Dao Thien Thi, minister of labor; Doan Duy Thanh, minister of foreign trade; Hoang Duc Nghi, minister of supply; and Vo Van Kiet, vice chairman of the Council of Ministers. In the afternoon, the National Assembly held its closing session. National Assembly Chairman Nguyen Huu Tho directed the session. The National Assembly adopted:

1. The draft marriage and family law.
2. The resolution on the 1987 socioeconomic development plan.
3. The resolution on the draft state budget for 1987.
4. The resolution ratifying the final account of the 1986 state budget.
5. The statement of the SRV National Assembly in response to the appeal of the Supreme Soviet of the USSR to national assemblies and nations in the world on its decisive action to build a nuclear-free world.

At 1730 [1030 GMT] National Assembly Chairman Nguyen Huu Tho delivered a speech concluding the 12th session -- the last session -- of the 7th National Assembly.

VAN TIEN DUNG INSPECTS ARMY FRONTLINE UNITS

BK241550 Hanoi Domestic Service in Vietnamese 1000 GMT 23 Dec 86

[From 23 December Hanoi press review]

[Text] Concerning other current topics, various papers report that on the occasion of the 42d anniversary of the VPA, Senior General Van Tien Dung, minister of national defense, visited and inspected air defense and artillery units standing combat ready on the first frontline.

COMPOSITION OF NEW CC, POLITICAL BUREAU NOTED

OW251005 Hanoi VNA in English 0807 GMT 25 Dec 86

["New Party Central Committee: A Big Organizational Success" -- VNA headline]

[Text] Hanoi VNA Dec 24 -- The composition of the newly-elected Central Committee of the Communist Party of Vietnam demonstrates the characters of continuity and inheritance and the determination to renovate the party's leadership in accordance with the realities of the Vietnamese revolution.

The new party Central Committee comprises 173 members (124 full members and 49 alternate members), ninety two of whom are re-elected. Their average age is 56.1. 116 members are aged from 40 to 59 (67 percent), 56 others from 60 upward (32.3 percent), and one member below 40. Twenty one members of the new Central Committee were admitted to the party before 1945 (12 percent); 142 in the 1945-65 period (82 percent) and 10 in the 1965-69 period (5.9 percent).

Of the party Central Committee, 75 members have got university or higher academic degrees, accounting for 43.3 percent, and 56 others have graduated from senior high schools (32.3 percent).

The first plenary session of the party Central Committee unanimously elected Nguyen Van Linh general secretary and a 14-member Political Bureau including 13 full members and one alternate member. Of the new Political Bureau, 9 members were re-elected from the fifth congress. The Central Committee unanimously elected a seven-member Control Commission.

At the request of Truong Chinh, Pham Van Dong and Le Duc Tho, the sixth congress accepted their withdrawal from the candidature to the party Central Committee due to their advanced age and their health condition. It unanimously assigned these three senior party officials a new mission as advisers to the new party Central Committee.

PHAM HUNG SPEAKS AT SIXTH PARTY CONGRESS

BK280945 Hanoi NHAN DAN in Vietnamese 17 Dec 86 pp 5, 7

[Address by Pham Hung, member of CPV Central Committee Political Bureau, vice chairman of the Council of Ministers, concurrently minister of interior, and delegate of the Cuu Long provincial party organization, at the 16 December session of the Sixth CPV Congress: "For the Cause of National Security and Social Order and Safety in the New Situation"]

[Text] The Presidium,
Dear comrade delegates,
Dear guests,

In the spirit of looking squarely at the truth, correctly assessing the truth, and clearly telling the truth, the party Central Committee has presented to the congress very important documents of historical significance.

I fully agree with the contents of those documents.

Comrades,

While concentrating its efforts on the foremost task of building socialism, our party has always attached importance to the task of defending our beloved Vietnamese socialist fatherland.

Our party has clearly determined the basic and long-range enemy of the Vietnamese revolution and the world revolution, and the direct and dangerous enemy of the Vietnamese revolution. These enemies have colluded with each other to wage a multifaceted war of sabotage against Vietnam and the other countries on the Indochinese peninsula.

[Paragraph continues] They have frenziedly countered our people's socialist construction and nibbled at the territory at our fatherland's northern border in an attempt to keep our country in a state of constant tension and instability. They have incited elements hostile to socialism, carried out sabotage activities, conducted psychological warfare, and stirred up rebellions and subversion in order to annex our country and prepare for a large-scale war of aggression against it when an opportunity presents itself. Their sabotage activities against socialist Vietnam, an independent and sovereign country, threaten national independence, peace, and stability in Indochina and Southeast Asia and cause tension in Asia, the Pacific, and the rest of the world.

For this reason, "Ensuring political and social order, and safety is an extremely important task to defeat the enemies' multifaceted war of sabotage. We must resolutely suppress the counterrevolutionaries, promptly smash the attempts of reactionaries of all stripes to rear their heads, prevent and punish sabotage activities of the enemies in all domains, strengthen the law and discipline, and protect social order and the people's safety." (Footnote 1) (Documents of the Fifth National Party Congress of Delegates, Vol 1, Su That publishing house, Hanoi, 1982, p 45)

Under the party's leadership, the people's security forces -- on the strength of the solidarity and combat condition of the People's Army, enjoying the cooperation of all sectors, mass organizations, and localities, and supported and assisted by the large masses of people -- have further frustrated the enemies' multifacted war of sabotage, destroyed or disbanded a large component of the FULRO [United Front for the Struggle of Oppressed Races] reactionaries in th Central Highlands, and completely wiped out many other reactionary organizations, spies, and scouts. The people's public security forces have continually struggled to suppress those who violate socialist property, hunt down hoodlums and thugs, speculators and smugglers, and other categories of criminals, thereby actively supporting various tasks of the party in socioeconomic transformation and construction, in production, circulation, and distribution, and in protecting the people's peaceful life.

The results of the people's public security forces' efforts during the past few years were that security and national defense were ensured and that progress was made in the maintenance of social order and safety. The mass movement for the protection of national security broadly expanded and gradually developed in depth. Many organs, enterprises, subwards, villages, precincts, and districts have become progressive models in safeguarding public order and security. We should bring into play and continue to multiply these good models more deeply and widely.

However, the combined strength of proletarian dictatorship still has not been fully developed in the task of firmly maintaining security and order in various aspects of socioeconomic activity. We have not yet achieved close coordination among various sectors and echelons nor launched a vigorous and continuous all-people movement to counter more effectively the enemy's multifacted war of sabotage, especially economic and ideological sabotage. The struggle against violations of the laboring people's right to collective mastery and of socialist property, as well as against negativism and corruption in our internal ranks, still has not been carried out vigorously with decisive and effective measures. Socioeconomic management, which is now in the process of improvement, is still full of loopholes. Apart from this, a number of our cadres, party members, and people still display a serious lack of vigilance. As a result, the enemy of other criminals have taken advantage of our loopholes and shortcomings to carry out sabotage activities.

Dear comrades,

Our revolution is advancing against a background where the situation in the world as well as in the Asia-Pacific region and Southeast Asia has undergone many changes with both favorable and complex aspects.

We have affirmed repeatedly that under any circumstance, our entire party, people, and armed forces will still unite as one and will still be resolved to devote all our mind and energy to successfully building socialism and firmly defending the socialist Vietnamese fatherland.

For the cause of national defense, let our entire party, people, and armed forces develop our combined strength and increase our national defense and security capacity to resolutely defeat the multifaceted war of sabotage waged by the enemy and actively and successfully cope with all eventualities.

In the first stage of the period of transition to socialism in our country, the struggle to defeat the multifaceted war of sabotage waged by the hegemonists in collusion with imperialism is closely linked to the struggle to determine "who will triumph over whom" between the socialist and capitalist paths. Therefore, the tense, decisive, complex, and long-range character of that struggle will increase constantly.

The struggle to determine "who will triumph over whom" between the two paths will take place throughout the period of transition to socialism in our country, especially in its first stage.

While defining the general line and economic line for the period of transition to socialism, our party pointed out that the implementation of these lines is the objective of the class struggle in our country and that the "characteristics of that class struggle are the combination of transformation with construction, politics with the economy, peace with violence, persuasion with compulsion, and educational measures with administrative measures... "in which the task of advancing small-scale production to large-scale socialist production is a long-term and complex undertaking with decisive importance to the complete victory of socialism." (Footnote) (Political Report of the Party Central Committee at the Fourth National Congress of Party Delegates, Su That Publishing House, Hanoi 1977, pages 68-69).

The class struggle and the struggle between the two paths have a comprehensive effect on the economic, political, cultural, and ideological fronts... which shows itself mainly on the economic front and is particularly harsh in the field of circulation and distribution. The manifestations are the struggle between the interests of the entire people and private and partial interests; between democratic centralism and bureaucratic centralism and fragmentary, unorganized, and indisciplined tendencies; between the planning of the economy and the spontaneous tendency toward capitalism; between inventory and inspection and opposition to inventory and inspection; and so forth. Along with the economic front, the struggle on the cultural, ideological, and other fronts is no less difficult and complex.

Along with the struggle against the enemies of the working class, it would be wrong for us to close our eyes to negative phenomena in socioeconomic activities. These phenomena are the scourges of corruption and embezzlement of public property, bribery, coercion of the masses and, especially, the bad practice of establishing contacts with dishonest merchants to steal state-owned goods and materials for speculation and blackmarketeering, thus causing an upheaval in prices and disruption to the market. It is regrettable that these bad practices are being committed by a number of persons who have lost their sense of class in the face of unhealthy temptation and, especially, by politically degenerate and ethically corrupt elements who are still hiding in various party and state organs. The enemy is always seeking to exploit the degenerate and debauched and those greedy for personal gain among our ranks by pushing them onto the criminal path in order to serve its aims of sabotage.

We must firmly grasp the system of dictatorship of the proletariat, bring into full play the laboring people's collective mastery, simultaneously carry out the three revolutions, and be determined to triumph over all the vestiges of capitalism. Only in this way can we build a new regime, new economy, new culture, and new socialist men and, at the same time, firmly maintain political security and public order and safety.

The present tasks of protecting national security and maintaining public order and safety require us to have new theoretical skills in accord with the law on class struggle in our country during the period of transition to socialism -- the struggle of our nation against the expansionist forces, the imperialists, and other international reactionaries.

Defending socialism on a national scale involves not only the need to defend sovereignty and territorial integrity -- without letting the enemy occupy an inch of our fatherland's soil -- but also the need to defend the political system of the socialist regime; to defend the policy lines and organization of the CPV; to defend the unified solidarity bloc of the people of various nationalities; to defend the worker-peasant alliance bloc; to defend the new economy, new culture, and new men; and to defend the pure Marxist-Leninist thoughts now gradually flourishing in our country's revolutionary cause.

Building and defending are two sides of a task. Therefore, defending the socialist Vietnamese fatherland must become a part of the process of developing socialist construction in our country. Defending the socialist Vietnamese fatherland must become ingrained in the thoughts and actions of every communist party member and of every Vietnamese citizen, whatever their position or field of activity. The spirit of revolutionary vigilance and the sense of defense must be constantly upheld by everyone in his daily work and must be regarded as a matter directly concerning the safety of life, work, labor, and production.

We must maintain constant vigilance against the enemy. They are sabotaging us in various areas without sparing any sectors or any establishments. They are taking advantage of all our negligences -- no matter where they exist -- to sabotage us. Not only have they resorted to overt and blatant tricks but they have also adopted those forms which outwardly look as if they "did not hurt anyone's feelings." In fact, they are very perfidious and dangerous. We must make our internal ranks clean and steadfast, scrupulously comply with the party discipline and the state law and order, strictly enforce all the management regulations and systems, resolutely do away with all negative phenomena, and guard against all negligence without giving the enemy any chance to sabotage us.

The defense task must become a mechanism in the field of management on a national scale, and in each public organ, each enterprise, and each population center and must become a sacred duty and a lofty right of every person. It should be pointed out here that the leader is to be the person who must take the main responsibility for the defense task. He must know that this is not a job beyond his functions.

We must closely coordinate the protection of public organs and enterprises with the maintenance of public order and security in population centers and in the streets, hamlets, and villages. Mass movements for the protection of both internal and external security and order should be initiated to promote security and order in public organs, enterprises, hospitals, schools...safety in the streets, subwards, and villages, and to establish interconnected safe zones and lines even in precincts, districts, provinces, and cities. This will be an extremely strong people's security network which no adversary can infiltrate and sabotage.

We must coordinate the implementation of socioeconomic tasks with efforts to counter enemy sabotage. Production must go hand in hand with protection of production; purification and strengthening of the internal ranks must be closely linked with internal protection and the suppression of negativism; economy must be combined with national defense and security and vice versa.

In the struggle to frustrate the enemy's multifaceted war of sabotage and to guarantee political security and social order, the great aggregate strength of the dictatorship of the proletariat must be mobilized, the effectiveness of state management must be enhanced, and the working people's right to collective mastery must be brought into play. We must rely on the strength of the people, considering the people as the root and the people's public security forces and the people's army as the activists under the centralized and unified leadership of the party committees from the central to the grass-roots level. The people's public security forces and people's army must be made firm and strong in all respects. They must act in close coordination and stand ready to assist each other in all fields of activity of the struggle against internal enemies and external aggressors.

By striving to achieve success in carrying out these tasks, we will be taking the initiative in preventing and continually attacking the enemies, thus denying them the conditions for realizing their schemes and tricks of sabotage, steadily maintaining political security and social order, and firmly defending the fatherland. In so doing we will make practical contributions to our efforts to achieve success in implementing the socioeconomic tasks and objectives set forth by the party congress.

Comrades,

The resolution of the sixth national party congress of delegates is precisely the program of action of the Vietnam people's public security forces.

Boundless loyalty to the socialist fatherland, absolute submission to the party leadership, close solidarity with the people, scrupulous compliance with the constitution and state law, firm belief in the party's revolutionary cause, close unity around the party Central Committee, staying firm in the struggle against all enemies of socialism, maintaining the steady stand of the working class, showing the Vietnamese people's noble humanitarianism, and being thoroughly imbued with the spirit of proletarian internationalism -- all this constitutes the principled foundation of the activities of all cadres and combatants of the Vietnam people's public security forces.

Keeping in mind the towering meritorious service of venerated and beloved Uncle Ho, all people's public security cadres and combatants must study, be deeply imbued with, and seriously implement his six teachings for the people's public security forces. They must engage in emulation activities to carry out the movement for "revolutionary actions in line with Uncle Ho's teachings and for building people's public security units which are firm and strong in all respects." The people's public security forces must make every effort to overcome shortcomings and weaknesses, be deeply imbued with the spirit of renovation, renovate their way of thinking, be responsive to the situation, renovate organization and cadres, and renovate their activities in order to further raise the quality and effectiveness of their work and fighting, thereby making worthy contributions to successfully implementing the resolution of the sixth national party congress of delegates.

Long live the heroic Vietnamese people!
Long live the heroic CPV!
Great President Ho Chi Minh will live forever in our cause!
All for the socialist fatherland and for the people's happiness!

OVERSEAS VIETNAMESE LOVE OF HOMELAND VIEWED

OW250959 Hanoi VNA in English 0818 GMT 25 Dec 86

[Text] Hanoi VNA Dec 24 -- There are at present more than one million overseas Vietnamese living in over 40 countries, according to Deputy Foreign Minister Hoang Bich Son in his speech at the newly-concluded 6th Congress of the Communist Party of Vietnam.

He said: "The most prominent trait of the Vietnamese community abroad is that they have jealously preserved the national character even though they had to adapt to the conditions of the countries of their residence. A poll conducted at the end of 1985 among the Vietnamese residents in the United States who account for 50 percent of the total number of overseas Vietnamese showed that 92 percent of them had dreamt of Vietnam, 89 percent were proud of being Vietnamese and 88 percent preferred their Vietnamese names to American ones.

"It can be said that a very small number of overseas Vietnamese are anti-national reactionaries while the overwhelming majority are national-minded including a growing number of ardent patriots.

"They have a common aspiriation to make frequent visits to the homeland, considering these to be pilgrimages to the ancestral land. Many old people wish to return and die in Vietnam. Some wish to have their ashes sent home after death, and some even made their will to have their ashes sprayed in the Pacific in the hope of being washed to the Vietnamese shore.

"The above-mentioned realities vindicate President Ho Chi Minh's observation several decades ago that "every Vietnamese can become a patriot".

"The history of the patriotic movement of overseas Vietnamese dates back to nearly 70 years ago when Uncle Ho set up the Vietnamese Residents' Association in France in 1918. With this organization he turned a majority of the Vietnamese residents there into a notable force struggling for the nation's interests. This movement has now widely developed in 16 foreign countries.

"In the first war of resistance the Vietnamese living abroad, united in the overseas residents' associations, courageously operated right inside colonialist France in coordination with the resistance at home. A number of intellectuals of the first generation to go to France for study returned to Vietnam to directly take part in the resistance, at the front or in the rear. Many of them became heroes or high-ranking officials of the resistance government.

"In the anti-U.S. resistance, Vietnamese residents in several capitalist countries including the United States, organized successive campaigns to denounce the aggressors, thus setting bright examples of patriotism".

PHAM VAN DONG RECEIVES SOVIET ECONOMIC GROUP

BK220851 Hanoi Domestic Service in Vietnamese 0500 GMT 22 Dec 86

[Text] At the invitation of our government, a Soviet Government economic delegation led by Comrade Gusev, member of the CPSU Central Committee, vice chairman of the USSR Council of Ministers, and chairman of the Soviet subcommittee of the USSR-Vietnam Commission for Economic, Scientific and Technological Cooperation, has made a stopover in Hanoi on a working tour.

On the morning of 21 December, at the Presidential Palace, Pham Van Dong, chairman of the Council of Ministers, received and had cordial talks with the Soviet delegation. Attending the reception were Comrades Tran Quynh, vice chairman of the Council of Ministers and chairman of the Vietnamese subcommittee of the Vietnam-USSR Commission for Economic, Scientific and Technological Commission; Dau Ngoc Xuan, member of the party Central Committee, vice chairman of the State Planning Commission, and vice chairman of the Vietnamese subcommittee; and Vu Xuan Ang, assistant to the foreign minister. Comrade Vyakotnykh, minister counselor of the Soviet Embassy in Vietnam, was also on hand.

While in Vietnam, the Soviet Government economic delegation paid tribute to the late President Ho Chi Minh at his mausoleum and visited the Hoa Binh hydroelectric power project and the Pha Lai thermoelectric power plant.

CPSU POLITBURO TO STRENGTHEN COOPERATION

OW260715 Hanoi VNA in English 0705 GMT 26 Dec 86

[Text] Hanoi VNA Dec. 26 -- The various ministries and general departments of the Soviet Union will together with their Vietnamese counterparts work out concrete measures to further the economic as well as scientific-technological cooperation between the two countries.

The decision was taken at a meeting of the Politburo of the Communist Party of the Soviet Union (C.P.S.U.) in Moscow on Dec. 25. At the meeting Yegor Ligachev, Politburo member and secretary of the C.P.S.U. C.C. and head of the party delegation to the recent 6th Congress of the Communist Party of Vietnam, briefed the Politburo on the delegation's work at the congress, his talks with the new general secretary of the C.P.V., Nguyen Van Linh, and other senior Vietnamese party officials, and the results of the congress.

The C.P.S.U. Politburo noted that the 6th Congress of the C.P.V. was an important turning point in the history of the Communist Party of Vietnam. It particularly welcomed the realistic programme of the C.P.V. aimed at further accelerating the race of socio-economic development and creating premises for quicker socialist industrialization of country.

KPL CITED ON PRC'S LIU SHUQING VISIT TO LAOS

OW270721 Hanoi VNA in English 0707 GMT 27 Dec 86

[Text] Hanoi VNA Dec. 27 -- A delegation of the Chinese Foreign Ministry led by Deputy Foreign Minister Liu Shuqing left Vientiane Thursday after a five-day visit to Laos at the invitation of the Lao Foreign Ministry. While in Laos, KPL reports, it held talks with a delegation of the host ministry led by First Deputy Foreign Minister Khamphai Boupha.

The Chinese guests paid a courtesy visit to Phoun Sipaseut, vice chairman of the Council of Ministers and minister for foreign affairs.

The Chinese deputy foreign minister invited the first deputy foreign minister of Laos to visit China and the invitation was accepted.

DEFENSE MINISTRY RECEPTION MARKS ARMY DAY

OW221740 Hanoi VNA in English 1455 GMT 22 Dec 86

[Text] Hanoi VNA Dec. 22 -- The Ministry of Defence gave a reception here yesterday evening in honour of the 42nd anniversary of the Vietnam People's Army. The guests included military attaches of the embassies of the Soviet Union, Laos, Kampuchea, other socialist countries, India, Indonesia, and others.

Speaking on this occasion, Sn. Lt. Gen. Tran Van Quang, vice-minister of defence, reviewed the steady growth of the Vietnam People's Army over the past years. He laid emphasis on the building of the V.P.A. into a modern army with a view to meeting the tasks of national construction and defence as well as of internationalist obligation as assigned by the 6th party congress. He thanked the armies of the Soviet Union, Laos, Kampuchea and other socialist countries, and friendly countries for their support and assistance to the Vietnamese Army and people.

The dean of the military attaches, Soviet Col. P.K. Grigorievitch warmly acclaimed the exploits of the Vietnamese Army and people in national liberation and reunification. He condemned imperialism and expansionism, and voiced strong support for the Vietamese people in their peaceful labour for building socialism and defending the country.

SUHARTO, SOLARZ DISCUSS CAMBODIA, PRC

BK230705 Jakarta Domestic Service in Indonesian 0600 GMT 23 Dec 86

[Text] At Bina Graha this morning, President Suharto received a courtesy call from U.S. Congressman Stephen Solarz, who is currently on a visit to Indonesia. During the meeting, they discussed bilateral relations and mutual interest between Indonesia and the United States. Solarz told newsmen today that he also discussed the Cambodian issue and Indonesian-PRC relations with President Suharto. President Suharto told him Indonesia wants to see the withdrawal of Vietnamese troops from Cambodia to enable the Cambodian people to determine their own destiny. The president also noted the change of leadership in Hanoi and said the Vietnamese leaders had realized the bad economic situation and needed to change their economic policy.

According to Solarz, regarding the PRC, President Suharto deemed it very important not only for the Chinese Government but also the Communist Party of China to stop interfering in other countries and said China's pledge not to interfere in Indonesia's internal affairs would be indispensable before Indonesia normalizes its relations with China.

MOKHTAR COMMENTS ON SRV LEADERSHIP CHANGES

BK261251 Jakarta Domestic Service in Indonesian 1200 GMT 26 Dec 86

[Text] Foreign Minister Mokhtar Kusumaatmaja has expressed the hope that Vietnam will concentrate on economic development following the conclusion of the CPV Congress and the election of its new leaders. Thus, Vietnam will, together with other Southeast Asian countries, chart the future of a peaceful and prosperous Southeast Asia. The Indonesian foreign minister made the remarks during his weekly press conference at the Department of Foreign Affairs in Jakarta this afternoon.

[Begin Mokhtar recording] We hope that the Cambodian issue will be resolved [words indistinct]. As we know, this issue is hampering good relations not only between Vietnam and other Southeast Asian countries but also between the Soviet Union and Southeast Asian countries. Accordingly, we appeal to Vietnam to settle this issue because we know that Vietnam is a country which cannot be dictated to. The Vietnamese have very great pride. We hope that this high national pride will in turn mean that they can understand that the Cambodian people also have such national pride. [end recording]

Minister Mokhtar noted that 1986 has been a very good year for Indonesia's policy toward the South Pacific as evidenced by the signing of a treaty of friendship and mutual respect between Indonesia and Papua New Guinea According to Mokhtar Kusumaatmaja, Papua New Guinea is a corrdior for Indonesia to enter the South Pacific.

Answering questions on the current frequent contacts between Indonesia and Taiwan, Minister Mokhtar said this will not affect Indonesia's one China policy.

MALAYSIA

MAHATHIR ON CONDITIONS FOR PAS-UMNO COOPERATION

BK281255 Kuala Lumpur Domestic Service in English 1130 GMT 28 Dec 86

[Text] Datuk Sri Dr Mahathir says UMNO [United Malays National Organization] is prepared to cooperate with PAS [Pan Malaysian Islamic Party] on condition that PAS adheres to the true teachings of Islam. The prime minister said this in a news conference at the UMNO Complex at the end of a brief visit to the Federal Territory of Kuala Lumpur. He said if PAS holds firm to the true teachings of the religion, there will not be any problems for cooperation. Asked to elaborate, Datuk Sri Dr Mahathir, who is UMNO president, said PAS (?should) cease such practices as having two imams at prayers, requiring its people to undergo a second marriage ceremony, and branding UMNO members infidels.

Commenting on PAS Vice President Haji Nakhaie Ahmad's reported expression of confidence that PAS could work with UMNO if both parties entered into the concept of universal Islamic struggle, the prime minister said if PAS returns to the true Islamic teachings, there will be no problems as UMNO upholds these teachings.

SINGAPORE

PREMIER'S OFFICE ANNOUNCES CABINET RESHUFFLE

BK291147 Singapore Domestic Service in English 1100 GMT 29 Dec 86

[Text] The Prime Minister's Office has announced changes in the cabinet. From the first of next month, the foreign minister, Mr S. Dhanabalan will also be the minister for national development. Mr Lee Yock Suan, Mr Wong Kan Seng, and Brigadier General Lee Hsien Loong [Prime Minister Lee Kuan Yew's son] will be made full ministers. Mr Lee Yock Suan will be the labor minister. Mr Wong will be the minister for community developoment and second minister for foreign affairs. He will relinquish his present position of the minister of state for communications and information. Gen Lee will be the minister for trade and industry and second minister for defense services. Mr Yeo Ning Hong, the minister for communications and information will be the second minister for defense, policies.

The Ministry of Defense says Dr Yeo will take charge of review and development of policies which contribute toward the national defense and security, Gen Lee takes responsibility for ensuring the operational readiness and capability of the SAF [Singapore Armed Forces] at all times.

A statement from the Prime Minister's Office adds that Mr Yeo Cheow Tong will be the acting minister for health, while at the same time remaining as the minister of state for foreign affairs. Dr Richard Hu will relinquish his appointment as the health minister. He will continue as the minister for finance. Dr Lee Boon Yang, who is the minister of state for trade and industry, will be transferred to the Ministry of National Development. He will also remain in the Ministry of Home Affairs. Mr Eugene Yap, the senior parliamentary secretary for labor, will be transferred to the Ministry of Trade and Industry while retaining his post as senior parliamentary secretary for environment.

FRENCH MINISTER SUPPORTS SIHANOUK PROPOSAL

BK201504 Singapore Domestic Service in English 1400 GMT 20 Dec 86

[Text] The French Government says it supports the president of Democratic Kampuchea, Prince Sihanouk's, peace proposal for Cambodia. This was stated by the French minister of state for foreign affairs, Mr Didier Bariani, who described the proposal as a good starting point. He was speaking at a press conference before his departure for home this evening.

Mr Bariani, who is here on a 3-day official visit, called on the first deputy prime minister and the defense minister, Mr Goh Chok Tong, at the Mindef [Ministry of Defense] this morning. He said they discussed a wide range of topics, especially the scientific and technical cooperation between France and Singapore.

FRANCE ON ASEAN STAND ON NEW CALEDONIA

BK221407 Singapore THE STRAITS TIMES in English 21 Dec 86 p 18

[Excerpt] Mr Didier Bariani, the visiting French Minister of State for Foreign Affairs, said yesterday the future of the French-ruled New Caledonia was an internal matter.

Before leaving Singapore, Mr Bariani stressed at a press conference, that France was concerned over ASEAN's support for the independence movement in the Pacific island group.

He said: "It is France's internal problem. The Caledonians will decide in a referendum their own destiny in the middle of 1987?"

But he observed that Singapore's stand was not one of outright hostility to the French position. Singapore's position was more as a member of ASEAN, he said.

"We have a fair and open dialogue with the Singapore authorities. We have noted no hostility in the position of the Singapore Government, only differences in views about ways of doing things," he said at the press conference in the Meridien Hotel in Orchard Road. [passage omitted]

GOVERNMENT, COMMUNISTS REFUSE TO CHANGE STANDS

HK270030 Manila Far East Broadcasting Company in English 2300 GMT 26 Dec 86

[Text] Very tough negotiations loom in the forthcoming government-communist peace talks on both sides indicate refusal to alter their announced stands. The government yesterday [26 December] warned the National Democratic Front [NDF] that the peace talks could collapse if the rebels insist on demands already considered by the government as non-negotiable. The warning was made by Press Secretary Teodoro Benigno. Benigno said the government and NDF positions are at cross purposes if the communists insist on a non-negotiable agenda.

In issuing the warning to other rebels, Benigno cited as non-negotiable the demands by the NDF for power-sharing with the government, the dismantling of U.S. bases, integration of the communist NPA with the Armed Forces of the Philippines, and, lately, the inclusion of arrested NPA chief Rodolfo Salas in the NDF negotiating panel. Regarding the government stand on the issue of Salas, here's Art Pabellon:

[Begin recording] Press Secretary Teodoro Benigno yesterday said that Rodolfo Salas, captured Communist Party leader, cannot be named as a member of the negotiating panel for the cease-fire talks. In a press interview, Secretary Benigno said that for Salas to be appointed as a member of the negotiating panel would be an act of disregard of the laws of this country. Salas is a leader of the Communist Party, Secretary Benigno explained. He has been arrested and formally charged before the courts of law, and therefore subject to all the laws of the country. And under those conditions he certainly cannot be named to any panel.

On the matter of the NDF proposed agenda, which includes among others the subjects of coalition government, the removal of the U.S. bases, and integration of the rebel forces with the Armed Forces of the Philippines, Benigno said that to insist on such an agenda would make the government enter into dialogue with the deaf. These matters have earlier been classified as non-negotiable. [end recording]

On the other hand, the Communist Party observed its 18th anniversary yesterday with a declaration rejecting President Aquino's peace program and declaring that a people's war is the only solution to the country's problems. The communists rejected the Aquino peace program because it left unchallenged the alleged rule of U.S. imperialism. The rebels also branded the Aquino Government and the proposed new constitution as antinationalist, antipeople, and pro-imperialist.

The communist declaration was read in a rally by 50 armed NPA guerrillas and hundreds of supporters in Orion, Bataan. The rebels also said all U.S. bases must be dismantled to give meaning to the Aquino government's claim for a true democracy.

As the communist rebels rallied in Orion, the military's Task Force Samat also held peace rallies in 10 Bataan towns. Task Force Samat Commander Colonel Vicente Garcia said the rallies have the support of many sectors of the people, and were held to rally the people to democracy, to the Republic, and to the Aquino government.

Meanwhile, Armed Forces Chief of Staff General Fidel Ramos decried what he said was the apparent lack of interest, control, and good faith of the communists in pursuing the objectives and positions of the cease-fire. Gen Ramos addressed troops in Catbalogan and Calbayog yesterday in the course of his visit to the military units in the field.

Gen Ramos said there is hesitation on the part of the communist leadership to come forward for talks in the countryside for peace with local authorities.

In another development, Gen Ramos said that 29 probable cease-fire violations have already been committed by the rebels since the 60-day truce was declared. Ramos said the latest violation was on Christmas Eve, when an Army trooper, private 1st class (Ruben Gariban), of the 49th infantary battalion was shot and killed by an NPA Sparrow Unit member in Barangay (Catlip), Buenavista, Quezon. Last December 20, a 12-man NPA group held 30 persons who were having a dialogue regarding the cease-fire and the plebiscite inside the newly-built public market in Barangay (Wawa), Orion, Bataan. Earlier, 20 persons were also held at bay by a 3-man NPA guerrilla unit in Barangay (Burbos), Pilara, Bataan.

TRUCE TEAM CITES NPA CEASE-FIRE VIOLATIONS

BK271044 Hong Kong AFP in English 1041 GMT 27 Dec 86

[Text] Manila, Dec 27 (AFP) — The presence of armed communist guerrillas at a rally outside a U.S. naval base here was a violation of a ceasefire agreement with the government, the truce monitoring body said here Saturday.

Military officials had filed a formal complaint with the National Ceasefire Committee (NCC) charging that the appearance of some 80 armed communist New People's Army (NPA) guerrillas at a rally December 11 was a truce violation.

It was the first decision on reported possible violations handed down by the (NCC) [as received] since the 60-day renewable ceasefire took effect December 10.

"The NCC team finds from its ocular inspection, interviews and documents presented to the committee substantial evidence to support a finding that a violation of the ceasefire agreement had been committed," the NCC said.

In a report signed by four members of the five-member team, the NCC said that despite the absence of guidelines to monitor the ceasefire, "there was tacit agreement that there would be no carrying of firearms in cities and town centers."

Sanctions for truce violators have not yet been decided, but the NCC asked the National Democratic Front (NDF) coalition, which is representing the communists in the ceasefire talks and talks to find a peaceful settlement to the communist rebellion, "to exert every effort to avoid and prevent similar acts in the future."

NDF leaders could not immediately be reached for comment.

Rebels Object To Ruling

BK271446 Hong Kong AFP in English 1414 GMT 27 Dec 86

[Text] Manila, Dec 27 (AFP) — A Philippines rebel alliance objected Saturday to a ruling that armed communist guerillas broke a ceasefire between the government and rebels by attending a rally near a U.S. naval base two weeks ago.

The objection by the National Democratic Front (NDF) came as Armed Forces reported another possible breach of the truce, allegedly involving guerrillas asking farmers for rice.

The National Ceasefire Committee, which monitors the truce, upheld a complaint from the military that the truce was violated by the presence of some 80 armed communist guerrillas of the New People's Army (NPA) at a rally December 11. The incident occurred a day after a 60-day ceasefire took effect.

Francisco Pascual, NDF representative on the committee, said he dissented from the ruling and that the only "possible technical violation" was the escorting of the NDF negotiators to the rally.

"That should not be made to obscure the reason and nature of the activity which was one of support." Mr. Pascual told AGENCE FRANCE-PRESSE. "I think the decision was over-extended."

Meanwhile, reports Saturday said that the military captured Wednesday two members of an eight-man NPA team who were allegedly asking farmers for sacks of rice in San Jose in the central province of Mindoro Occidental. Under the truce agreement, illegal exactions or taxation are not allowed. The latest report brings to 30 the number of possible truce violations reported by the military.

The Ceasefire Committee has asked the NDF, which is representing communists in talks for a political settlement with President Corazon Aquino's government, "to exert every effort to avoid and prevent similar acts in the future".

Mr. Pascual said the committee warning had to be clarified. "(NPA units) regularly conduct mass meetings, any one of which could be considered by the enemies of the ceasefire as a rally," he said.

"Our armed elements will still go to rallies," he said later, adding that the committee had agreed to this.

In its first decision concerning truce violations, the committee noted that armed members of the NPA had escorted NDF peace negotiators Satur Ocampo and Antonio Zumel to Samal after the rally. "There was tacit agreement that there would be no carrying of firearms in cities and town centers," the committee said in a report signed by four members of the five-member body. It added that "ocular inspection, interviews and documents" provided "substantial evidence" to support a finding that the ceasefire had been violated.

Mr. Pascual said the rally was "a gathering to show support" for the NDF. Even local town officials did not consider the event a violation, he said referring to interviews conducted by the committee during a fact-finding trip.

In a separate report, the committee said a shooting incident in Albay Province south of Manila which killed two people and injured six others was not a ceasefire violation by the NPA as reported by the military.

'Red Alert' Denied

HK261510 Manila THE MANILA CHRONICLE in English 26 Dec 86 pp 1, 2

[By staff member Lito Mangaser]

[Text] The Constabulary reported yesterday three communist insurgency-related incidents in two provinces, increasing military's tally of "possible ceasefire violations" by communist rebels to 28.

The military has listed 25 possible ceasefire violations by communists rebels from Dec 10, when the 60-day cessation of hostilities between Government and the rebels took effect, to Dec 21.

Yesterday's reports were released by PC [Philippine Constabulary] headquarters in Camp Crame, Quezon City.

Meanwhile, 300 New People's Army guerrillas were expected to surrender in the rebel stronghold province of Northern Samar last night, Ramos was told Wednesday by senior military commanders in Region 8.

It could not be confirmed, however, if the plan pushed through yesterday.

Military officers told Ramos Wednesday in Catarman, Northern Samar that the armed rebels were asking for four conditions before they surrender: Payments for their firearms; provision of jobs; provision of medical treatment; and absolution from criminal charges.

Ramos said the demands were "reasonable," but clarified that Government would not buy the rebel's firearms. Instead, he said, the Government was offering a "package benefit."

The National Democratic Front [NDF] negotiators have accused the Government of bribing communist rebels by offering earlier to pay for their firearms.

Ramos also clarified that rebels who would return to the folds of the law would not be considered surrenderees but "returnees."

The first alleged truce violation report said suspected New People's Army guerrillas held up, Dec 18 a Fortune Tobacco Corp delivery truck along a highway in Barangay Cauayan, Negros Occidental.

The alleged rebels the PC said took P50,000 cash and checks amounting to P100,000.

The report said one of the truck's crew, Jimmy Rollo, was told by one of the robbers that the loot was going to be spent for medical needs of communist rebels in the area.

The second report said that at least three suspects NPA guerrillas displayed their firearms Dec 19 during a meeting of some 20 persons in Barangay Burgos, Pilar, Bataan.

Another report said that at least 12 NPA also displayed their firearms Sunday in political gathering of some 30 persons in Barangay Wuwa, Orion, Bataan, on Dec 21.

Under the ceasefire agreement, communist rebels are prohibited from displaying their firearms in "population centers," which, however, has yet to be defined by the Government and NDF panels.

Hold-ups and most other ordinary crimes, however, were not listed in the agreement's "hostile act" provision that defines violations of the agreement. They are considered as illegal acts.

The Armed Forces operations headquarters in Camp Aguinaldo, meanwhile, denied yesterday that Government troops have been put on red alert.

At least three newspapers (not the 'CHRONICLE') reported yesterday that the military was put on red alert in anticipation of rebel hostilities as the Communist Party of the Philippines marks its 18th year today.

A duty officer at the operations center said Gen Fidel V. Ramos, AFP [Armed Forces of the Philippines] chief of staff, has just ordered the military to watch out for displaying of firearms by communists rebels and waving of NDF flag today, which are prohibited under the ceasefire agreement.

Population Centers Defined

HK280545 Baguio City Mountain Province Broadcasting Company in English 0400 GMT 28 Dec 86

[Excerpt] The National Cease-fire Committee headed by Bishop Antonio Fortich declared yesterday that cities and towns are population centers, and rebel forces are banned from openly displaying firearms there. Fortich said the committee decided to leave it to the fair judgement and commonsense of local cease-fire committees to determine which barangays and other areas are likewise to be declared population centers.

Leaders of the government and the National Democratic Front meanwhile called on all sectors to aim for the most peaceful and joyous celebration of new year to follow through the achievement of the most tranquil Christmas Day and the peaceful celebration Friday of the 18th anniversary of the Communist Party of the Philippines. [passage omitted]

RAMOS DENIES COMMUNIST CHARGES ON U.S. SUPPORT

HK260020 Manila Far East Broadcasting Company in English 2300 GMT 25 Dec 86

[Text] AFP [Armed Forces of the Philippines] Chief of Staff General Fidel Ramos has deplored as lies the claims by the communist leaders that the military is drawing up a counterinsurgency campaign with U.S. support. He said the communist leaders Satur Ocampo and Antonio Zumel lied in saying that the military is conferring with U.S. authorities about the counterinsurgency campaign.

The denial was made by Gen Ramos in ordering all units to be extra vigilant and on full alert today [26 December] which is the 18th anniversary of the founding of the outlawed Communist Party of the Philippines [CPP]. Gen Ramos ordered all AFP units to arrest any NPA carrying firearms in violation of the truce, and to prevent the raising of the Communist Party, NDF [National Democratic Front], or NPA flags on the occasion of the CPP anniversary. Gen Ramos said those acts are violations of the cease-fire agreement.

In denying the charges by Ocampo and Zumel, Gen Ramos said the meeting with U.S. officials is about the delivery of the $10 million worth of medical supplies and 24 ambulances, which were the result of the recent state visit of the president to the U.S. Ramos also said the insurgency is purely a problem of the Philippines, and said we will never allow the Americans to meddle in our affairs. Ramos expressed doubts on the sincerity of the CPP-NPA-NDF to see the cease-fire negotiations pushed through, referring to their apparent lack of good faith in the formation of regional and other local cease-fire committees. Military and civilian officials told Ramos that law-abiding citizens want to see the committees formed, but deplored that no NDF representatives appeared, despite repeated calls.

Meanwhile, there was no report of any cease-fire violation during the past 2 days, as reflected in today's joint operation journal of the Armed Forces and the constabulary. It was the first time in 15 days since the cease-fire agreement began on December 10 that the AFP and PC [Philippine Constabulary] journals were devoid of any truce infraction. The journal reports contain a summary of violent incidents recorded daily by the military and police units all over the country. At least 25 alleged cease-fire violations were recorded so far since the truce took effect on December 10. Twelve people were also killed during the period. The military has submitted all probable cease-fire violations to the National Cease-Fire Committee for proper investigation.

RAMOS WARNS AGAINST COMMUNIST STRATEGIES

HK290139 Manila Far East Broadcasting Company in English 2300 GMT 28 Dec 86

[Text] AFP [Armed Forces of the Philippines] Chief of Staff General Fidel Ramos yesterday [28 December] disclosed the communist cease-fire strategies and its use of the newly formed Partido ng Bayan [People's Party] in the communist tactical program for complete control of the government. The chief of staff spoke at the grand alumni homecoming of the Pangasinan High School. Ramos said that the earlier military suspicion that the primary goal of the communist party and its various arms in entering into a cease-fire is for a share of power in the government, was clearly proven when the NDF [National Democratic Front] recently asked for the provision of a transition and coalition government [as heard]. By this Ramos warned that the communists' next step would be the complete control of the government if the citizenry, who love freedom, allow it. He said that, based on seized documents, the Communist Party of the Philippines [CPP] considers the cease-fire as the vehicle for the advancement of its activities in the armed united front and parliamentary struggles. Ramos revealed that the popular democratic movement spearheaded by the launching of the Partido ng Bayan is one of the two movements included in the CPP's tactical program for June 1986 to May 1987. Ramos said that the other movement is called the National Democratic Movement, NDM.

In his speech, Ramos stressed the need for national leadership and for the different ministries, local governments, the civilian bureaucracy, as well as the concerned citizenry, to evolve a close and intensive coordination to match and surpass the preparations of the CPP-NPA-NDF and the Partido ng Bayan during the cease-fire and its aftermath. Meanwhile Ramos reiterated that the new AFP shall abide, and is abiding, by the cease-fire and safety agreements between the government and the CPP-NPA-NDF. Ramos however said that the military shall maintain the highest degree of vigilance to ensure that the results of the cease-fire shall not compromise the people's safety nor erode the country's democratic institutions.

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CABINET ENDORSES 'AUSTERE' 1987 BUDGET

OW300749 Tokyo KYODO in English 0716 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The government Tuesday adopted an austere budget for fiscal 1987, starting next April, with particular emphasis on national security that will breach Japan's decade-old policy of keeping defense spending within 1 percent of the nation's Gross National Product (GNP).

The budget, endorsed at a special cabinet meeting, set aside outlays of 32,583 billion yen in general expenditures or actual fiscal spending down 0.002 percent from the original fiscal 1986 budget, marking the fifth consecutive year-on-year drop.

Most categories in general expenditures were either restricted to marginal increases or cut back from the current fiscal year levels in line with Prime Minister Yasuhiro Nakasone's avowed policy of rebuilding deficit-ridden national finances. But national defense spending, aid to developing countries and social welfare escaped cuts, gaining 5.2 percent, 4.2 percent and 6.1 percent, respectively. Japan's defense budget has shown a conspicuous gain in the past five years partly because the United States pressed Japan to shoulder more defense responsibilities in Asia.

Fiscal 1987 defense spending of 3,517.43 billion yen accounts for 1.004 percent of the estimated GNP for fiscal 1987, an amount exceeding the limit which the then cabinet set in 1976. The topping of the "1 percent limit" is expected to come to a head in parliamentary deliberations when the current Diet reconvenes after the new year recess.

General expenditure is a major portion of the overall budget or general account which gained a marginal increase of 0.02 percent to 54,101 billion yen, the smallest rise in 32 years. The general account also covers subsidies to local governments and debt servicing costs such as redemptions and interest payments on government bonds.

The government also appropriated 27,081 billion yen for the fiscal investment and loan program -- a companion budget financed by postal savings and other government-controlled revenues -- for a hefty 22.2 percent gain over the previous fiscal year, compared with a 6.2 percent rise in fiscal 1986.

The sharp increase in the program is aimed at expanding public works, an important budget ingredient with a major pump-priming effect, to supplement fiscal spending for public works which was reduced by 1.9 percent to 6,017 billion yen in the budget.

Officials said the government managed to secure at least a 5 percent increase in the value of overall public works projects, aided by increased funding from fiscal investment and loan programs, private-sector finances and other means.

Behind the need for increased public works spending is the fact that the yen's upsurge is cutting into export earnings of major Japanese industries, thus slowing the overall economy, and also Japan's trading partners such as the U.S. are pushing Japan to reduce its trade surplus by increasing imports.

In an effort to fulfill a target of stopping the insurance of deficit-financing bonds by fiscal 1990, the government was hoping to cut new bond issues by 1 trillion yen but the budget calls for 10.5 trillion yen worth of bond offerings in fiscal 1987, a drop of 445 billion yen. The balance of national bonds will thus amount to about 152 trillion yen at the end of fiscal 1987, compared with an estimated 145 trillion yen at the end of the current fiscal year. The ratio of bond issues to total revenues, or dependence of the state finances on borrowing, came to 19.4 percent, the first time it has dropped below 20 percent since fiscal 1975.

Social welfare outlays were given a 6.1 percent increase to 2,016 billion yen as the government feels the need to prepare for an aging society.

Other important decisions made in the compilation of the budget include approvals for the start of the construction of five new shinkansen (bullet train) lines in Japan, a "condolence and sympathy" allowance for Taiwanese-born troops who served in the Japanese Imperial Army during World War II, and compensation for veterans who were detained in Siberia during the war.

On the revenue side, the government assumed modest gains of 1.6 percent in tax revenues, set at 41,194 billion yen, but a drop of 6.8 percent in nontax revenues at 2,406 billion yen.

The assumptions were based on the government's official economic outlook for fiscal 1987, which foresees an inflation-adjusted growth of 3.5 percent in Japan's economy, up from an estimated 3 percent in the current fiscal year.

Defense Spending Boosted

OW300811 Tokyo KYODO in English 0741 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The government Tuesday allocated 3,517.4 billion yen for defense outlays in the fiscal year beginning in April in a controversial budget marking a major departure from a decade-old policy restricting military spending to within 1 percent of Gross National Product (GNP).

The amount, a 5.2 percent rise from the current fiscal year, tops 1 percent of estimated GNP for the first time since the government's self-imposed ceiling for defense spending was set in 1976, officials said.

The defense budget was one of the few government outlays to escape sharp cuts in the austere fiscal 1987 budget plan which the cabinet approved Tuesday.

The government will send the budget bill to the Diet for approval after the new year recess, and it is expected to draw intense flak from the opposition camp. Backed by the ruling Liberal-Democratic Party, the Defense Agency restored 37.9 billion yen in cuts which the Finance Ministry had imposed on the original budget draft last Thursday.

According to government estimates, the new defense budget represents 1.004 percent of the projected 350.4 trillion yen GNP in fiscal 1987.

While the budget plan marks a 5.2 percent increase in monetary terms from the current budget, the real growth in terms of spending power could be considerably higher because of the yen's appreciation and cheaper oil prices. "Oil prices have fallen substantially over the past year, and the yen has appreciated sharply against the dollar, while domestic prices have risen by only a little," a Finance Ministry official said in describing the enhanced purchasing power the new budget represents.

With the restored budget funds, the Defense Agency will also get most of the major military equipment it wanted for fiscal 1987.

A breakdown of the defense budget plan shows that:

-- the Ground Self-Defense Force [GSDF] will get 52 of the 56 type-74 tanks and all 43 of the 155-mm howitzers it wanted to order in fiscal 1987.

The GSDF request for eight AH-1s anti-tank helicopters and four CH-47 Chinook helicopters also went unscathed.

-- The Air Self-Defense Force [ASDF] will get 12 of the 16 U.S.-developed F-15J jet fighters, all three C-130 transport aircraft and 20 of the 23 T-4 trainer aircraft it wanted for fiscal 1987.

The government is also allocating funds for a second ground-to-air "Patriot" missile battery as requested by the ASDF.

-- Reflecting the government's sea-lane defense policy, the Maritime Self-Defense Force [MSDF] will be allowed to order all but one of the 14 warships, including one submarine, it wanted for fiscal 1987. The sole vessel purchase scuttled is a DE-type destroyer, one of three on the Defense Agency's original shopping list.

Briefing reporters on the defense budget, Finance Ministry officials said the government is allocating 36 percent of the defense budget, or 1,264.7 billion yen, for military equipment, which will be paid largely on a deferred basis.

Pay and food provisions will account for 43.9 percent of the budget pie, with 20.1 percent going to miscellaneous outlays including base installations and payments relating to residential areas close to military facilities, Finance Ministry officials said.

Servicewise, the GSDF will account for 36.6 percent of the budget, with 25.5 percent going to the ASDF and 24.5 percent to the MSDF, and the rest going to the Defense Agency.

Japanese Budget Breakdown

OW300829 Tokyo KYODO in English 0732 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The following is a table of the fiscal 1987 budget announced by the government Tuesday (figures are in millions of yen. The right-hand column shows year-on-year percentage changes)

	FY 87	FY 86	PC
(Revenues)			
Tax and Stamp Receipts	41,194,000	40,560,000	1.6
Nontax Revenues	2,406,019	2,582,643	-6.8
Govt Bonds	10,501,000	10,946,000	-4.1
Total	54,101,019	54,088,643	0.02
(Expenditures)			
Govt Bond Servicing	11,333,530	11,319,518	0.1
Grants to Local Govts	10,184,120	10,184,955	-0.008
General Expenditures	32,583,369	32,584,170	-0.002
Total	54,101,019	54,088,643	0.02
(Breakdown of General Expenditures)			
Social Security	10,089,556	9,834,555	2.6
Education and Science	4,849,687	4,844,516	0.1
Pensions	1,895,612	1,850,139	2.5
Defense	3,517,434	3,343,549	5.2
Public Works	6,017,334	6,135,903	-1.9
Disaster Relief	65,078	87,441	-25.6
Economic Cooperation	649,228	623,244	4.2
Small Business Measures	197,348	205,218	-3.8
Energy Measures	495,231	629,680	-21.4
Food Control Account	540,580	596,188	-9.3
Other Expenses	3,916,281	4,083,739	-4.1
Reserves	350,000	350,000	0.0
Total	32,583,369	32,584,170	-0.002
Fiscal Loan and Investment	27,081,300	22,155,100	22.2

Nakasone Defends Defense Budget

OW300525 Tokyo KYODO in English 0517 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- Prime Minister Yasuhiro Nakasone Tuesday dismissed concern that Japan may turn itself into a major military power after the government abandons a decade-old policy to hold defense spending below 1 percent of the Gross National Product. When asked by reporters about his concern, Nakasone responded, "Absolutely none." He made the snap comment shortly after top leaders of the ruling Liberal-Democratic Party [LDP] gave the go-ahead late Monday night for a 3,517.4 billion yen defense budget for the new fiscal year, which begins next April 1. The sum marks a 5.2 percent increase from the current fiscal year.

The cabinet is expected to act on the defense spending later Tuesday when it formalizes government approval for the fiscal 1987 budget plan. The amount would push the defense outlays for fiscal 1987 past the "1 percent" limit for the first time since the government adopted the military spending guideline in November 1976. According to government figures, the sum represents 1.004 percent of the officially forecast 350.4 trillion yen GNP for fiscal 1987.

Nakasone said the LDP decision to scrap the 1-percent limit was "made reluctantly" as money was needed for improving facilities for the Self-Defense Force and upgrade its training capability.

The budget decision drew sharp criticism from the opposition camp but drew a warm welcome from the United States. In a strongly-worded protest statement released in the predawn hours Tuesday, Takako Doi, leader of the top-opposition Japan Socialist Party, called the measure a "reckless move" and vowed to carry a massive protest campaign to the streets starting on New Year's day.

In Washington, Defense Secretary Caspar Weinberger said that he was "very pleased" with Tokyo's decision to allow defense spendings to go beyond the 1 percent ceiling. Washington has long pressed Japan to spend more on defense to counter the Soviet military build-up in the Far East.

Foreign Minister Tadashi Kuranari, a close Nakasone ally, sounded optimistic in allaying concern among Japan's Asian neighbors about Japanese military intentions. "I think there shouldn't be any problem with our close neighbors," Kuranari told a news conference, arguing that the proposed defense budget "has just slightly exceeded" the 1-percent ceiling.

Following the LDP approval, the government's National Security Council was summoned into an emergency session in the early hours Tuesday. Chaired by Nakasone, the council endorsed the defense budgetary plan, but left the question open on how to set future guidelines on defense spending, Chief Cabinet Secretary Masaharu Gotoda said. Gotoda said the question will be addressed in another council session that is expected to convene Tuesday evening, noting that the government will exercise restraint in future military outlays.

Japan's basic defense policy is to maintain an "exclusively defensive" military readiness and keep the nation nuclear-free through the "three non-nuclear principles" of neither manufacturing nor possessing nuclear weapons or allowing nuclear weapons to be introduced to Japan.

Both Kuranari and Defense Agency Director-General Yuko Kurihara argued that the budget is necessary to implement the five-year military build-up program for 1986-1990 the government approved in September last year. The program calls for spending a total of 18.4 trillion yen for upgrading Japan's military capability in line with the national defense program outline. Adopted by the government in 1986, the defense program is designed to cope with what the Defense Agency calls a "limited and small-scale aggression."

Cabinet Secretary on Defense Spending

OW301035 Tokyo KYODO in English 1025 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The government vowed Tuesday Japan will not become a major military power and will respect the "spirit" of a guideline keeping defense spending below 1 percent of the nation's Gross National Product. Chief Cabinet Secretary Masaharu Gotoda made the pledge in a statement released after the cabinet approved a budget that would raise defense outlays for fiscal 1987 above the self-imposed 1 percent limit.

Apparently in a bid to resolve the contradiction, Gotoda said the government had decided not to apply the 1976 guideline in the new budget. He said the government will continue to respect the spirit of the guideline and will not turn Japan into a major military power that would threaten the security of other nations.

In an earlier session Tuesday, the cabinet decided to prepare new guidelines to regulate defense spending but will put off action until Prime Minister Yasuhiro Nakasone returns from his January 10-17 visit to Europe, officials said.

The 3,517.4 billion yen defense budget approved by the cabinet Tuesday would raise defense spending for fiscal 1987 to 1.004 percent of the projected GNP for the year.

Defense Guidelines Delayed

OW301041 Tokyo KYODO in English 0704 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- The National Security Council, meeting for the second time Tuesday, decided to put off action on new guidelines for Japan's defense spending, postponing the decision until Prime Minister Yasuhiro Nakasone returns from his January 10-17 visit to Europe, officials said. The meeting preceded an extraordinary cabinet session which Nakasone summoned to formalize the stand.

The moves followed a decision Monday night by the ruling Liberal-Democratic Party [LDP] to allow next year's defense budget to breach the ceiling of 1 percent of Gross National Product [GNP] -- a defense spending guideline set in 1976.

Officials said the council agreed to observe the "spirit" of the 1976 guideline and called for the government to "act moderately" in future defense spending.

The council also agreed that the government should set new guidelines for defense spending but said it would wait until Nakasone's return from Europe before acting on the new policy.

Meanwhile, the council advised the government to make an exception to the 1976 ceiling for the fiscal 1987 budget, officials said.

In an emergency meeting held in the early hours Tuesday, the council decided to endorse the LDP approval to allocate 3,517.4 billion yen for defense outlays in the next fiscal year. The amount corresponds to 1.004 percent of the projected nominal GNP for fiscal 1987.

Reactions to Defense Increase

OW300535 Tokyo KYODO in English 0524 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- China and the Soviet Union appeared Tuesday to be taking a cautious attitude toward the Japanese Government's decision to raise defense spending beyond the "ceiling" of 1 percent of the country's Gross National Product (GNP), according to reports complied by KYODO News Service.

European nations, however, seemed to go along with the United States in welcoming Prime Minister Yasuhiro Nakasone's decision to increase defense expenditures to 3,517.4 billion yen in fiscal 1987 starting next April 1.

The figure amounts to a 5.2 percent increase from the defense budget for the current fiscal year and accounts for 1.004 percent of the estimated GNP for fiscal 1987. The decision represents a break with the policy followed by successive government for the past decade of limiting defense outlays to 1 percent of GNP.

Neither China nor the Soviet Union made any immediate official comment on the prospective rise in Japan's defense spending. But a KYODO report from Beijing said it was likely to reinforce distrust of Japan among Chinese officials, who link the question of defense with other issues involving cabinet ministers' visits to Tokyo's Yasukuni Shrine for the war dead and school history textbooks.

When Nakasone visited Beijing in 1984 and in November this year he pledged that Japan would not become a major military power.

Chinese military leaders reportedly do not expect Japan to boost its military strength and are said to believe that Japan's current military capability is adequate.

Reports from Moscow said that Soviet newspapers have been branding Japan's efforts to reinforce its Self-Defense Forces as a "route toward militarism."

The Soviet Union, which has been critical of Nakasone's diplomatic and military policies, is expected to become even more critical of the Japanese Government, believing that the rise in defense outlays will lead to a deepening of the Japan-U.S. alliance.

The hike in defense spending may also affect the timing of Soviet leader Mikhail Gorbachev's visit to Japan, analysts said. The Soviet Union recently ruled out any possibility of a Gorbachev trip to Tokyo in the near future. Soviet officials said there must be a favorable environment in bilateral relations to enable Gorbachev to go to Japan.

Reports from Bangkok said Southeast Asian nations were not disturbed by the news, as they realized the increase in defense expenditures will not immediately allow Japan to take the road toward becoming a major military power.

A top aid to Thai Prime Minister Prem Tinsulanon said Thailand welcomed the Japanese Government decision. He said the Soviet Union s military power is the most serious threat to Southeast Asia, since the Soviets maintain military bases in Vietnam. An increase in Western deterrence is favorable to Thailand, the official said.

KYODO reports from London said member countries of the North Atlantic Treaty Organization (NATO) are most likely to welcome the Japanese decision if an increase in defense spending helps reinforce Japan's military power.

Britain and France have been saying that as an important member of the Western bloc, Japan should assume more responsibility for a strategic role toward the Soviet Union. They believe any increase in Japan's defense power will help them and lessen their burden, a stance that is basically in accord with that of the United States.

JOINT VENTURES WITH SOVIET PARTNERS PROPOSED

OW241251 Tokyo KYODO in English 1151 GMT 24 Dec 86

[Text] Tokyo, Dec. 24 KYODO -- Japanese enterprises have proposed 11 projects in the Soviet Union under a new Soviet joint venture law going into effect January 1, Japanese trade officials said Wednesday.

The officials said the Japanese proposals were among some 100 approaches Soviet enterprises received from foreign firms.

Negotiations on 15 proposals have already started, they said.

The disclosure was made by members of the Japan-U.S.S.R. business cooperation committee who attended a seminar on Soviet-Japanese joint ventures held in Moscow recently.

The proposed Soviet law calls for 51 percent majority ownership by Soviet enterprises in joint ventures with foreign firms.

The Soviet side will hold the presidency but other executive posts can be held by foreigners.

Joint firms will not be nationalized and there will be no restrictions on remittance of their earnings, the officials said.

FIRST SESSION OF THE EIGHTH SPA CONTINUES

Agenda Items Outlined

SK300330 Pyongyang Domestic Service in Korean 1000 GMT 29 Dec 86

[Text] [At the First Session of the Eighth SPA] The meeting elected the chairman and vice chairmen of the SPA as follows:

Chairman: Deputy Yang Hyong-sop
Vice chairmen: Deputies Son Song-pil and Yo Yon-ku

The meeting then elected the committee for reviewing the qualifications of SPA deputies.

The meeting adopted the agenda items of the First Session of the Eighth DPRK SPA as follows: 1) The election of the president of the DPRK, and 2) the election of the state guidance agencies of the DPRK.

The meeting discussed the first agenda item. On behalf of the Political Bureau of the WPK Central Committee, Deputy Yim Chun-chu first delivered a speech, holding in high esteem the president of the DPRK.

Outline of Events

SK300934 Pyongyang Domestic Service in Korean 1000 GMT 29 Dec 86

[Text] [At the First Session of the Eighth SPA] The attendees of the meeting discussed the second agenda item. In accordance with the proposal of the great leader Comrade Kim Il-song, president of the DPRK, the attendees of the meeting elected the vice presidents of the DPRK and the premier of the DPRK Administration Council.

The attendees of the meeting then went on to elect the chief secretary and members of the DPRK central people's committee, the chief secretary and members of the Standing Committee of the DPRK SPA, the Budgetary Review Committee of the DPRK SPA, and the Law Review Committee of the DPRK SPA. The attendees of the meeting appointed the chairman of the State Inspection Committee of the DPRK CPC and the director of the DPRK Central Prosecutor's Office and elected the director of the DPRK Central Court.

Entrusted by the great leader Comrade Kim Il-song, the president of the DPRK, Comrade Yi Kin-mo, premier of the DPRK Administration Council, announced the list of the vice premiers and members of the DPRK Administration Council. At the meeting, deputy Yi Kun-mo, premier of the Administration Council, took an oath before the great leader Comrade Kim Il-song, president of the DPRK. At the meeting, deputy Yim Chun-chu, chairman of the Committee for Reviewing the Qualifications of SPA deputies, presented the report of the Committee to Review the Qualifications of Deputies to the Eighth DPRK SPA.

Pak Song-chol Opening Speech

SK300407 Pyongyang Domestic Service in Korean 1000 GMT 29 Dec 86

[Opening speech by deputy Pak Song-chol at the First Session of the Eighth SPA held on 29 December at the Mansudae Assembly Hall -- Recorded]

[Text] Comrade deputies:

Today, we are holding the First Session of the Eighth SPA of the DPRK amid the great joy of vigorously demonstrating once again the might of unity and cohesion of our people, who have been firmly rallied around the party and the leader, and their absolute trust in our revolutionary sovereignty through the election of deputies to the SPA on 2 November in which 100 percent of voters participated and cast approval votes by 100 percent amid the surging political zeal of all of the working people throughout the country.

From the time of the election of deputies to the seventh SPA, our party, state, and people have registered proud successes in the struggle of the revolution and construction by thoroughly embodying the line of the three revolutions -- ideological, technological, and cultural -- upholding the banner of the chuche idea under the wise leadership of the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song.

Through the majestic struggle to model the whole society after the chuche idea, great progress has been effected in the ideological and spiritual traits of our people, the political and ideological unity of the entire party and all of the people with the leader as their center have been more firmly deepened, and the political force of our revolution has been extraordinarily strengthened.

By vigorously carrying out the struggle to occupy the 10 major prospective goals of socialist economic construction set forth at the Sixth WPK Congress under the wise leadership of the party our people not only have registered the proud success of successfully fulfilling the Second 7-Year Plan, but have also further strengthened the economic might of the country and have more firmly deepened our revolutionary base by building numerous modern plants, enterprises, and other great monumental edifices, including the Sohae lockgate.

By thoroughly implementing the principles and rules of the chuche-oriented state activity in all fields of the revolution and construction the government of the Republic has more outstandingly performed its function and role as the weapon for socialist and communist construction and has made it possible to further demonstrate superiority and vitality of the socialist system of our country.

Thanks to the peace-loving foreign policy and the active external activities of ours and the government of the Republic, friendly and cooperative relations with many countries in the world, including socialist countries and nonaligned countries, have been developed onto a new higher stage and international solidarity with the national reunification cause of our people has been further strengthened.

All proud victories and successes that our people have achieved under the banner of the Republic are totally the result of the excellent and tested leadership of the party Central Committee headed by the respected and beloved leader Comrade Kim Il-song and the noble fruition of the immortal chuche idea. [applause]

Today, our people infinitely trust the regime of the Republic -- which has provided them with genuine freedom and happiness -- with lofty dignity as victors and firm faith in the future. They are vigorously struggling to successfully achieve the grand prospective goals of socialist economic construction and to achieve the independent and peaceful reunification of the country by firmly rallying themselves around the party and the leader upholding the revolutionary banner of the chuche idea.

The current SPA session will be an important occasion in the struggle to further strengthen the regime of the Republic, to acclerate socialist construction, and to expedite the complete victory of socialism and the historic cause of national reunification. [applause] The current SPA session has been attended by 646 delegates among the 655 SPA deputies who were newly elected in the recent election of deputies to the supreme sovereign organ of the Republic.

Firmly believing, together with many comrades here, that the current session will greatly contribute to developing our revolution by smoothly carrying out its work with the active participation of all of the comrade deputies, I declare the opening of the First Session of the Eighth SPA in accordance with Article 78 of Chapter 5 of the DPRK Socialist Constitution. [applause]

Yang Hyong-sop's Speech

SK300942 Pyongyang Domestic Service in Korean 1000 GMT 29 Dec 86

[Declaration by SPA Chairman Yang Hyong-sop at the First Session of the Eighth DPRK SPA held at the Mansudae assembly hall on 29 December that Kim Il-song has been held in high esteem as the president of the DPRK -- recorded]

[Text] Comrade deputies:

Entrusted by the Political Bureau of the WPK Central Committee, Deputy Yim Chun-chu has submitted to this meeting the proposal of the Political Bureau of the WPK Central Committee to invariably hold aloft Comrade Kim Il-song, the great leader of our party and people, in high esteem as the president of the DPRK, reflecting the unanimous will and ardent desire of all the people. Amid enthusiastic cheers, all comrade deputies and participants have absolutely supported and approved this proposal. [applause]

This reflects the iron-clad will and unshakable revolutionary faith of all the people to hold in high esteem as the great leader of our party, country, and people respected and beloved Comrade Kim Il-song, who has devoted his life to the cause of achieving the independence and prosperity of the fatherland, the freedom and happiness of the people, and the victory of the cause of socialism and communism; who has provided our people with today's endless honor and happiness; and who has turned our country into a wealthy, powerful, and dignified socialist country, forever generation after generation, and who has devoted his life to complete the chuche revolutionary cause under the wise leadership of the leader. [applause]

I solemnly declare that in accordance with the absolute will and unanimous desire of all the people, Comrade Kim Il-song, the founder and great leader of the DPRK and the respected and beloved leader of our party and people, who has attained immortal revolutionary achievements by creating and brilliantly materializing the great chuche idea by taking the lead early in our revolution thereby ushering in the new, great era of national prosperity for the history of the fatherland and has always led our party, country, and people along the single, straight road of victory with profound and tested leadership, has been held aloft in high esteem as the president of the DPRK. [cheers, applause]

SPA Elects Leadership

SK291325 Pyongyang Domestic Service in Korean 1042 GMT 29 Dec 86

[Text] The First Session of the Eighth DPRK SPA has elected the state guidance organs. The First Session of the Eighth DPRK SPA elected the vice presidents of the DPRK as follows:

Vice presidents of the DPRK: Comrades Pak Song-chol, Yim Chun-chu, Yi Chong-ok.

The First Session of the Eighth DPRK SPA elected Comrade Yi Kun-mo as premier of the DPRK Administration Council.

The First Session of the Eighth DPRK SPA elected the senior secretary and members of the DPRK Central People's Committee as follows:

Senior secretary: Comrade Chi Chang-ik;

Members: Comrades O Chin-u, Pak Song-chol, Yim Chun-chu, Yi Chong-ok, Yi Kun-mo, Hong Song-nam, So Yun-sok, Hyon Mu-kwang, Kang Hui-won, Cho Se-ung, Yun Ki-pok, Chi Chang-ik, Kim Pyong-yul, Paek Pom-su.

The First Session of the Eighth DPRK SPA elected the chairman, vice chairmen, secretary, and members of the DPRK SPA Standing Committee as follows:

Chairman of the Standing Committee: Comrade Yang Hyong-sop;
Vice chairmen: Comrade Son Song-pil, Comrade Yo Yon-ku;
Secretary: Comrade Kim Pong-chu;

Members: Yom Tae-chun, Chong Tu-hwan, Yi Mong-ho, Chu Chang-chun, Choe Yong-hae, Pak Su-tong, Kim Song-ae, Kim Kyong-pong, Sok Yun-ki, Yu Ho-chun, Nam Sun-hui.

The First Session of the Eighth DPRK SPA elected the SPA Budget Committee as follows:

Chairman: Yun Ki-pok;

Members: Pak Nam-ki, Kim Chang-chu, Pak Sung-il, Yi Chung-song, Sin Kyong-sik, Kim Hyong-chong.

The First Session of the Eighth DPRK SPA elected the SPA Bills Committee as follows:

Chairman: Kye Ung-tae;

Members: Paek Hak-nim, Pang Hak-se, Han Sang-kyu, Kang Hyon-su, Kim Ui-sun, Chong Mun-san.

The First Session of the Eighth DPRK SPA elected Comrade Hyon Mu-kwang as chairman of the State Inspection Committee of the Central People's Committee.

The First Session of the Eighth DPRK SPA elected Comrade Han Sang-kyu as Prosecutor General of the Central Public Prosecutor's Office.

The First Session of the Eighth DPRK SPA elected Comrade Pang Hak-se as president of the DPRK Central Court.

The members of the DPRK State Administration Council announced by the First Session of the Eighth DPRK SPA are as follows:

Premier: Comrade Yi Kun-mo
First vice premier: Comrade Hong Song-nam
Vice premiers: Comrades Kim Yong-nam, Kim Pok-sin, Choe Kwang, Chong Chun-ki, Kim Chang-chu, Kim Yun-hyok.
Minister of Foreign Affairs: Kim Yong-nam
Chairman of the Commission for External Economic Affairs: Kim Pok-sin
Chairman of the Agricultural Commission: Kim Chang-chu
Chairman of the Commission of Construction and Building Materials: Kim Yun-hyok
Chairman of the State Planning Commission: Pak Nam-ki
Chairman of the Commission for Metal and Machine Building Industries: Kye Hyong-sun
Chairman of the Mining Industry Commission: Cho Chang-tok
Chairman of the Transportation Commission: Yi Kil-song
Chairman of the Electric Industry Commission: Yi Chi-chan
Chairman of the Chemical and Light Industry Commission: Kim Hwan
Chairman of the Fisheries Commission: Choe Pok-yon
Chairman of the Committee of Public Welfare: Kong Chin-tae
Chairman of the State Commission at Science and Technology: Yi Cha-pang
Minister of Public Security: Paek Hak-nim
Minister of Atomic Power Industry: Choe Hak-kun
Minister of Shipbuilding Industry: Yi Sok
Minister of Post and Telecommunications: Kim Yong-chae
Minister of Railways: Pak Yong-sok
Minister of Foreign Trade: Choe Chong-kun
Minister of External Economic Affairs: Chong Song-nam
Minister of Forestry: Kim Chae-yul
Minister of Labor Administration: Kim Pong-ul
Chairman of Educational Commission: Pyong Yong-nip
Minister of Culture and Arts: Chang Chol
Minister of Finance: Yun Ki-chong
Director of the Academy of Sciences: Kim Kyong-pong
Minister of Public Health: Yi Chong-yul
Minister of Commerce: Han Chang-kun
General Director of the General Corporation of Central Materials Supply Agencies: Yi Pil-song
Chairman of the Korean Physical Culture and Sports Guidance Committee: Kim Yu-sun
President of the Central Bank: Pyon Sung-u
Director of the Central Statistics Bureau: Sin Kyong-sik
Director of the Secretariat of the Administrative Council: Chong Mun-san

Control Commission Chairman

SK300047 Pyongyang KCNA in English 1536 GMT 29 Dec 86

[Text] Pyongyang December 29 (KCNA) -- The First Session of the Eighth Supreme People's Assembly of the Democratic People's Republic of Korea appointed Hyon Mu-kwang chairman of the State Control Commission of the Central People's Committee.

KIM IL-SONG PROPOSES TALKS WITH SOUTH

SK300439 Pyongyang KCNA in English 300435 GMT 30 Dec 86

["President Kim Il-song advances proposal on holding high-level political and military talks between the North and the South" -- KCNA headline]

[Text] Pyongyang December 30 (KCNA) -- In his policy speech at the First Session of the Eighth Supreme People's Assembly on December 30 the great leader President Kim Il-song stressed: We deem it necessary to hold high-level political and military talks between the North and the South in order to settle the first and most urgent question for national reunification.

He said:

The North-South high-level political and military talks will have to discuss the measures to remove the present political confrontation, such as the matter of promoting the national bonds by refraining from slandering each other and by realizing multilateral cooperation and interchange between the North and the South. They will also have to discuss the steps to ease the present tension, such as reducing armed forces, stopping an arms race, turning the demilitarized zone along the military demarcation line into a peace zone and refraining from large-scale military exercises. The talks should also deliberate on the measures to increase the authority of the neutral nations supervisory commission, and to organize a neutral nations inspection force with military personnel of Czechoslovakia, Poland, Switzerland and Sweden which are members of the Neutral Nations Supervisory Commission, as a setup to watch the military actions of both sides in the demilitarized zone.

In addition to these questions we are ready to discuss any proposal to be made by the South Korean side, if it is helpful to the relaxation of the political and military situation.

If the North-South high-level political and military talks are to settle various questions raised by both sides satisfactorily, those with real military authority will also have to take part in the talks, along with high-ranking authorities from both sides.

If the South Korean authorities truly want to break the present deadlock between North and South and follow with us the road of peace in the country and of its peaceful reunification, they ought to show a positive response to our sincere proposal.

Saying that if the talks produce a good result, dialogues will be held successfully in many spheres in a good atmosphere, President Kim Il-song stressed: Then summit talks between North and South may be held to discuss the fundamental questions for national reunification.

MASS RALLY PRAISES KIM IL-SONG REELECTION

SK301036 Pyongyang KCNA in English 1028 GMT 30 Dec 86

[Text] Pyongyang December 30 (KCNA) -- A grand Pyongyang mass meeting was held today at the Pyongyang indoor stadium to hail the reelection of the great leader Comrade Kim Il-song as president of the Democratic People's Republic of Korea and carry out the tasks set by him in his historic policy speech.

Attending the meeting together with more than 10,000 working people in the city were Pak Song-chol, Yim Chun-chu and Yi Chong-ok, members of the Political Bureau of the Central Committee of the Workers' Party of Korea and Vice-Presidents of the DPRK, Yi Kun-mo, member of the Political Bureau of the WPK Central Committee, vice-premiers of the Administration Council and leading functionaries of the party and power bodies, working people's organizations and administrative and economic organs.

The meeting was addressed by Kang Hui-won, alternate member of the Political Bureau of the WPK Central Committee, chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee.

KCNA REPORTS 29 DECEMBER SR-71 OVERFLIGHT

SK291638 Pyongyang KCNA in English 1544 GMT 29 Dec 86

[Text] Pyongyang December 29 (KCNA) -- The U.S. imperialist aggressors infiltrated its high-speed, high-altitude reconnaissance plane "SR-71" deep into the air above the territorial waters of our country east of Kosong at around 13 hours 29 minutes today to commit aerial espionage against the northern half of the Republic.

They committed such aerial espionage 170 times this year. This is an increase of 30 cases above last year.

In disregard of our sincere proposals to relax the tensions, the U.S. imperialist aggressors intensified this year their aerial espionage still further than last year. This clearly shows that they, in fact, do not want detente and peace in Korea but have consistently aggravated the situation, pursuing confrontation and war only.

If they continue to perpetrate military provocations against the northern half of the Republic, turning a deaf ear to our repeated warnings, they will be held entirely responsible for all the consequences arising therefrom.

U.S. SPECIAL FORCES REORGANIZATION DENOUNCED

SK270838 Pyongyang KCNA in English 0831 GMT 27 Dec 86

[Text] Pyongyang December 27 (KCNA) -- NODONG SINMUN today, commenting on Pentagon's decision to organize "combined command of the defence department No 11" by combining special operation units of the U.S. imperialist ground, naval, air and marine forces of aggression, says this indicates very ill-boding developments. The author of the commentary says:

It brings to light the criminal nature and aggressive purpose of "combined command No 11" that the "green beret" unit is included in the "combined command".

What the U.S. imperialists seek through this is to establish a unitary operational command system of the activities of the special units and use them more effectively as a shock-brigade for aggression and intervention against the progressive countries.

The U.S. imperialists defined it as an important "role" of the combined command to give "quick support to friendly nations in case of attack on them."

They seek to attain easily their aggressive purpose through the joint operation of local special operational units and special operation units under the combined command on the pretext of preparations to counter a "contingency".

The U.S. imperialists have set Korea as their target. This is illustrated by the fact that the Okinawa-based "green beret" unit is staging war rehearsal and special exercises in South Korea.

"Counter-terrorism" on the lips of the U.S. imperialists is terrorism.

CHON TU-HWAN'S POLICY OBJECTIVES ASSAILED

SK250603 Pyongyang Domestic Service in Korean 2153 GMT 24 Dec 86

[NODONG SINMUN 25 December commentary: "Wriggling of a Dictator Who Is Facing Destruction"]

[Text] On 23 December, at an unprecedented so-called cabinet meeting held at Chongwadae, his own den, Chon Tu-hwan, South Korea's traitor, babbled about state policies for next year. The puppet traitor threatened to ferret out all procommunist elements and illegal organizations, to harshly punish them, and to thoroughly keep under control all collective activities and subversive activities in the new year in an effort to maintain law and order and to achieve social stability. The puppet also said that next year will be a historical watershed that will determine whether [the country] will be led either to development due to stability and unity or to retreat due to disorder and division and that one must do his best in preparing for a peaceful transfer of government and for the Olympics by accelerating growth and development. The babbling of the puppet traitor, the reiteration of the policy objectives which the puppet administration released a little while ago, shows the dirty colors of the fascist hangmen who are mad about power. This also shows his vicious attempt to maintain his military dictatorial rule faced with a crisis by mercilessly wielding swords.

Confrontation and discord between the broad spectrum of democratic forces who demand a transfer of power by way of a constitutional revision that favors a direct election system and the fascist ruling forces who oppose this will emerge as a more acute sociopolitical problem. Along with the ever-growing anti-U.S. struggle for independence, the struggle of the democratic forces who are trying to realize a transfer of power by revising the fascist constitution in favor of a direct election system will expand into a grand march of independence and democracy that will lead the pro-U.S. dictatorial regime to destruction.

It is not coincidental that rumors about a crisis are spreading in South Korea that in the new year, a political crisis may take place or that an emergency decree may be announced officially. The Chon Tu-hwan ring which is trembling with utmost uneasiness and fear amid destructive political storms is attempting to find a way out by challenging the grand march of independence and democracy with blood-stained swords. Everyone knows that the puppet's babbling about law and order or social stability is a by-product of his desperate maneuvers to free himself from the daily-aggravating sociopolitical crisis and uneasiness and that law and order and social stability which he babbled about are bloody fascist slogans designed to block and obliterate all forces who refuse to submit to their military terrorism and suppression. For the past year, under these criminal slogans, the Chon Tu-hwan ring have continuously placed South Korea under martial law, have committed fascist violence, and have ruthlessly suppressed all activities that impede its dictatorship, branding them as the act of destroying law and order by impure forces and as the act of overthrowing the system by the left-leaning and procommunist forces.

Puppet Chon Tu-hwan presented law and order and social stability as the first policy objective for the new year in order to seek the vicious purpose of realizing his ambition for long-term office by suppressing and obliterating all patriotic democratic forces and sociopolitical elements -- that oppose the rascals' fascist dictatorial dictatorship -- which more viciously kicks up anticommunist and fascist maneuvers than before. This is also evidenced by the fact that the puppet traitor uses such fraudulent slogans as a peaceful transfer of government and the Olympics as a pretext for extending his reign in power. The puppet traitor described the new year as a so-called watershed. This shows that he considers next year a decisive year in laying groundwork for extending his reign in power and in plotting a scheme to regain power through violence.

That day, the puppet babbled that the campaign to build a counterdam must be used as an opportunity to inspire consciousness for national security and to strengthen the position in diplomacy. This shows that they are kicking the anticommunist intrigue rackets in connection with our construction of the Kumgangsan Power Station as part of the political scheme to seek the impure purpose of resolving a serious political chaos in South Korea and a destructive crisis facing his rule.

Western media also commented on this. On 18 December, Japan's NHK Broadcasting Station reported that the campaign of the South Korean rulers against the Kumgangsan Power Station follows the same line as the campaign to abolish procommunist, left-leaning ideology and that it is a measure to reach unity among the people by strengthening domestic restrictions. Even though they are making it their undertaking to engage in political intrigue and to wields words in an effort to maintain the dictatorial system faced with a crisis, the South Korean puppets cannot reverse the trend that has already shifted to their disadvantage. Engaging in intrigue and wielding swords is the last-stage symptom of those who are faced with the destiny of destruction and the desperate wriggling of those who are on their deathbed.

History has shown on numerous occasions that those who persistently suppress the people and who kick up the anticommunist intrigue rackets, while wielding guns and bayonets, cannot escape destruction without exception. Such notorious pro-U.S. dictators as Pahlevi, Duvalier, and Marcos were destroyed not because they engaged in less violent suppression or not because they lacked guns and bayonets. The end of the South Korean dictator who is wielding swords against the fellow countrymen hand in hand with outside forces will not be otherwise.

CORRECTION TO KUMGANGSAN PROPAGANDA DENOUNCED

The following correction pertains to the item headlined "Propaganda Against Kumgangsan Dam Denounced" published in the 15 December Asia & Pacific DAILY REPORT, page D 8, first paragraph, penultimate line:

...Kumgangsan Power Plant, recently again fabricated an out-and-out lie that the Kumgangsan power plant is being constructed...(Providing dropped passage)

CORRECTION TO DPRK COMMISSION WHITE PAPER

The following correction pertains to the item headlined "Power Industry Commission Issues Dam White Paper," published in the 29 December Asia & Pacific DAILY REPORT, page D 7, paragraph five, line six:

....four reservoirs -- the Imnam and Chongok Reservoirs...(Changing spelling of "Innam" to "Imnam" here, and throughout article)

WESTERN TOURISTS VISIT ANGKOR WAT SIEM REAP

BK251625 Hong Kong AFP in English 1612 GMT 25 Dec 86

[By Jacques Michel Tondre]

[Text] Bangkok, Dec 25 (AFP) -- A group of Western tourists have made an organized trip into Cambodia for the first time since 1979 and spent a half-day at the fabled Angkor Wat temple, without seeing any signs of combat. Thirteen tourists and one tour leader left Bangkok on Thursday last week for Ho Chi Minh City in Vietnam and arrived in Phnom Penh Monday. The group visited Siem Reap and Angkor Wat, where Khmer Rouge resistance fighters claimed to have carried out military operations late last week.

Australian escort, Janusz Kasinowski, who returned to Bangkok Thursday with the 13 others, said the trip -- organized by Australian travel agent Orbitour -- took place under completely safe conditions. He added that the airport at Siem Reap, which the group visited Wednesday, was intact. The Khmer Rouge earlier claimed to have partly destroyed it.

Three French nationals -- photographers Alain Keler and Jacques Torregano, and journalist Jean-Christophe Victor -- told AGENCE FRANCE-PRESSE that the Angkor Wat visit was limited to the main temple. They said it appeared to have remained in good shape since Vietnamese troops entered Cambodia. The group's Cambodian guides, who were surrounded by Vietnamese, had told them it was not possible to visit the rest of the temple site "for security reasons," the tourists said.

Hanoi invaded Cambodia on December 25, 1978 to oust its Khmer Rouge rulers and has kept an estimated 140,000 troops in the country to fight a tripartite resistance movement headed by former Cambodian ruler Prince Norodom Sihanouk.

When the tour was announced, the Khmer Rouge -- the main faction in the resistance -- issued a warning to potential tourists and said it could not be responsible for any incidents during their stay in Cambodia.

On Monday, Khmer Rouge radio said Siem Reap airport had been hit by 107-millimetre rockets and that guerrillas damaged the runway and destroyed and five buildings [as received]. The next day, it reported an attack on a Vietnamese division at the entrance to the Angkor Wat complex, claiming guerrillas killed eight Vietnamese and injured 13 others. But the tourists -- five French, two Canadians, two Japanese, an Austrian, a Swiss, a Spaniard, a Dutch woman and the Australian escort -- said they saw no trace of combat. They said they saw five anti-aircraft batteries at Siem Reap, but no one was using them.

The tourists said several Cambodians appeared genuinely pleased to meet French tourists and asked them to carry on mail. Cambodia was under French colonial influence beginning in the mid-19th century. Some Cambodian guides meanwhile accused the Vietnamese in veiled terms of making "political gains" out of the trip, the tourists said. Mr Kasinowski said Orbitour was hoping to make a second tour into Cambodia in January.

SON SANN INTERVIEWED ON SRV LEADERSHIP CHANGES

BK261531 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 26 Dec 86

[Unidentified station correspondent's 24 December recorded interview with His Excellency Son Sann, CGDK prime minister and KPNLF chairman -- place not given]

[Correspondent] I am a VOK correspondent. Greetings to you, Your Excellency Son Sann, CGDK prime minister and KPNLF chairman. Please allow me to ask you the following questions.

1. I have received reports saying that at the recent Sixth CPV Congress in Hanoi, there were changes in the Vietnamese leadership. What are your views on this issue. Will these changes in the Vietnamese leadership affect Vietnam's policy concerning Cambodia?

[Son Sann] In my view, the Vietnamese aggressors are facing great economic difficulties. Therefore, this economic crisis was discussed in Hanoi a few days ago and some changes in the leadership were made. In truth, what are the causes of Vietnam's economic crisis? In my view, it is caused by Vietnam's aggression in Cambodia since 1978. When Vietnam invaded Cambodia, it thought that, in a few months or a few weeks, the international community would let Vietnam occupy Cambodia. On the contrary, since then, all the resistance fighters have united under the CGDK against the Vietnamese. It has been 8 years now and Vietnam still has not been able to peacefully occupy Cambodia. So, despite the fact that they have plundered rice, fish, resources, and international assistance for Cambodian people to Vietnam, this did not provide enough food for the Vietnamese, Vietnam's economy is still mediocre. Therefore, the Vietnamese use this poor economy as a pretext to make some changes in the leadership. They refused to address the real cause of the problem, that is the aggression against Cambodia.

Another thing, recently, the Vietnamese said that their National Assembly will hold a meeting to make some changes in the leadership. Maybe they will not make any changes after all. It is not at all clear. Because they said they want unity, they do not want to make too many changes. Maybe they will keep the present leaders in their same positions.

Furthermore, despite their current difficulties, the Vietnamese have intensified the implementation of their policies. There are two. First, they want to make the world believe that the current war in Cambodia is one between Cambodians. Vietnam's policy is to Khmerize the issue. While they try to make people believe this, they are also intensifying their Vietnamization program to massacre and finish off our race. However, I am firmly convinced that no matter what the Vietnamese do, no matter how much more economic aid the Soviet Union has promised to Vietnam, I think we still have a way to resolve the Cambodian issue. I would like to ask only two things. First, the international community, including compatriots living abroad, please explain to our foreign friends in the Western world to maintain their firm stand against Vietnam and say to Vietnam that if it wants economic aid from the West, it should withdraw its forces from Cambodia. This is the pressure in the international arena.

As for our compatriots inside the country and among the CGDK ranks, please unite and unanimously cooperate in attacking the Vietnamese more vigorously. Compatriots in the Heng Samrin ranks and people in Cambodia, please do not assist the Vietnamese. Do not work for them. Please cooperate with all the resistance fighters who are struggling againist the Vietnamese. This way, the Vietnamese will be forced to negotiate and withdraw their forces from Cambodia.

[Correspondent] If Vietnam cannot occupy Cambodia, in your view, what are the possibilities for resolving the Cambodian issue?

[Son Sann] If Vietnam cannot stay in Cambodia, there will be talks. Currently, Vietnam wants to have talks with ASEAN. Vietnam has asked our CGDK to hold talks with Heng Samrin. However, we have already replied that we would like to talk with Vietnam because Vietnam and we are parties to the conflict. If Vietnam agrees to negotiate, we have firm hopes of liberating our country. And if we negotiate, we will, during the talks, try to ensure independence, neutrality, and true democracy for our country once the Vietnamese troops are withdrawn.

[Correspondent] Please allow me to ask more questions. If Vietnam agrees to withdraw its forces from Cambodia, in your view, what are the necessary measures to ensure that no Cambodian party can take power through military force?

[Son Sann] This is a major issue. There is one factor we should remember. Great China has affirmed and promised the CGDK that, in the future, China requests that the tripartite CGDK should stay together, even after the country is liberated. Great China has categorically requested that no one party of the coalition should be eliminated, thus endangering the remaining one or two parties. This is an assurance. Furthermore, there is another assurance. All of us should adhere to democracy. This democracy means that if we love Cambodia, we should love Cambodians and the country. If we adopt this democracy, we will certainly have Cambodia's destiny in the hands of every Cambodian when the time comes to vote at the free and general elections supervised by international bodies such as the United Nations. Then, we will be free to vote without any threat. Therefore, if our compatriots want our Cambodia to be independent, neutral, and have a religion, and all human rights, please consider the individual, side, or group. This is how we should resolve our problem without anyone violating democratic principles.

[Correspondent] In the future, if our Cambodia is liberated from Vietnam's occupation and once Cambodians are in charge of their own destiny, in your view, what are the ways and means to quickly build Cambodia into a developed and prosperous country?

[Son Sann] I think we should prepare ourselves from now. I would like to pay my respects and wish every success to those who are fighting against the Vietnamese inside the country and who have been making all kinds of sacrifices. I respect them because they are making all kinds of sacrifices. However, for those who have or do not have knowledge, whether they are working or studying, and who are currently living abroad, they should also think about building our country as well. They should study the subjects which will help develop the country when the time comes. I have firm hope that once we liberate our country, all the rich countries, including those in the West, will help us to rebuild our country. Therefore, we should think about and prepare ourselves for building our country. If we want to build our country into a peaceful and prosperous one with law and order, we should cleanse ourselves and should not behave like before. We should not think of our personal interests and should not think of any group's interests. We should think of our compatriots who have suffered greatly since 1970. We should think of providing them with some benefits, peace, and happiness and giving glory to our country. We should be honest.

Our combatants have been making all kinds of sacrifices, including their lives or becoming invalids, to liberate the country. We should cleanse ourselves in our behavior in accordance with the Buddhist religion to rebuild our country. If we have sufficient knowledge and are sincere in helping the nation and our compatriots, who have suffered for many years, the international community will certainly help us. Thus, we would be able to quickly rebuild our country into a happy and glorious one.

[Correspondent] So far, the Vietnamese and Heng Samrin have claimed in their propaganda among our compatriots under the Vietnamese control that selling paddy to the state is loving the nation. In your view, what should our compatriots do to be really patriotic?

[Son Sann] Just take that expression "loving the nation". Which nation? Vietnamese or Cambodian? If you love Cambodia, help Cambodia. Who produces the paddy? Our compatriots who work the land do. If they are truly patriotic and love the Cambodian nation, they should keep rice for those who produce it, that is Cambodian compatriots and not for other patriots, namely Vietnamese patriots. This is not right. Our compatriots should be clear on this. If you produce it, you should keep it to feed your families and relatives and not the Vietnamese, who are the aggressors annexing our territory, massacring our nation and race, and refusing to withdraw from our country. We should not be patriotic in this way.

[Correspondent] Finally, what else do you want to say to our combatants and compatriots both in zones temporarily under Vietnamese control and in CGDK-controlled zones?

[Son Sann] I would like to say to beloved compatriots in the Vietnamese-controlled zones in Cambodia, please believe me that this new year is very important. By the Cambodian new year, we should clearly see the way to resolve the Cambodian issue. This is the hope of every Cambodian. Therefore, all compatriots inside the country who have been making all kinds of sacrifices over many years, please be patient and endure the hardship a bit more. And please unite and do not think that the Vietnamese can stay in Cambodia. No matter what the Vietnamese are doing, whether they want to exterminate our race through their policy of annexing our country or taking our resources to Vietnam saying this is patriotic, the time of our country's liberation is near. Our nation's bad times are nearing their end. Please unite and cooperate with one another. Be orderly and disciplined. Those who fight among the CGDK ranks and among our KPNLF ranks, should have discipline and order and be united. Soon we will see the light of peace in Cambodia.

I would like to take this opportunity to tell compatriots at Site Two that I firmly hope that at this international new year, there will be a solution to our front's internal problem. There will no longer be any crisis. We will have unity and discipline. Therefore, compatriots at Site Two, please have hope. Soon, we will be united and have peace. Those who would like to return to Site Two, please do so. There will not be any problems. I would like to tell you that, soon, we will have peace, all of us.

I take leave of you now. I would like to thank you for listening to me.

[Correspondent] On behalf of VOK and the Cambodian people throughout the country, I would like to express profound thanks to His Excellency Son Sann, CGDK prime minister and chairman of the KPNLF, for talking to Cambodian compatriots through VOK.

ZHAO ZIYANG HOSTS BANQUET FOR SIHANOUK

BK290720 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 28 Dec 86

[Text] Zhao Ziyang, premier of the Chinese Council of State, hosted a banquet on 26 December in honor of Samdech Norodom Sihanouk, president of Democratic Kampuchea.

On that occasion, Zhao Ziyang said that the Chinese Government and people will, as always, stand on the side of the Cambodian people and the CGDK headed by Samdech Norodom Sihanouk and will continuously support their struggle against the Vietnamese aggressors until final victory is won.

He said: The Chinese Government sincerely hopes that the Vietnamese authorities will see the situation clearly and accept the 8-point CGDK proposal so as to realize the political settlement of the Cambodian issue as early as possible.

He said: Recently the Vietnamese authorities have recognized Vietnam's grim social and economic situation. However, they continue to cling to the wrong policy of aggression against and occupation of Cambodia. It is clear that the war of aggression against Cambodia, which Vietnam has been stubbornly pushing, is the cause of the daily deterioration of its economy. This act by Vietnam has drawn strong condemnation from the international community and lost the sympathy and friendship of most countries of the world.

He went on to say: Only by pulling out all its troops and ending the 8-year aggressive war in Cambodia will Vietnam again win the understanding of and help from the international community. Continued refusal to withdraw its troops and the playing of tricks will carry the Vietnamese authorities nowhere.

He also pointed out that the situation in Cambodia is developing in a direction increasingly favorable to the Cambodian people and unfavorable to Vietnam. He hailed the success won by the Cambodian Government and people at the 41st UN General Assembly.

Samdech Sihanouk said that in 1986 the situation of Vietnam has kept worsening. On the other hand, the situation next year will be even more favorable to the Cambodian people. He said that there will be no way out for the Vietnamese Government unless it accepts the 8-point proposal and the UN resolutions on the settlement of the Cambodian issue and withdraws its troops from Cambodia. The samdech stressed that the three parties of Democratic Kampuchea will closely unite to carry the struggle to final victory.

VONADK SAYS SRV SOLDIERS ATTACKED IN PHNOM PENH

BK200051 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 19 Dec 86

[From the "Report From Various Battlefields" feature]

[Excerpts] Phnom Penh battlefield: On 5 December our National Army cooperated with people and patriotic Cambodian soldiers and lobbed grenades at Vietnamese soldiers near the Angkor movie house in Phnom Penh, killing two and wounding five. On 7 December, our National Army cooperated with people and patriotic Cambodian soldiers in cutting the Vietnamese enemy's telephone lines between Banteay Sloek garrison and the radio station in Phnom Penh.

Following our grenade attack and telephone line cutting, the situation in Phnom Penh is confused. The Vietnamese enemy has conducted searches and imposed a curfew in the city. However, the Vietnamese enemy has been unable to find or flush out our National Army from the capital. [passage omitted]

PREM SPEAKS ON ECONOMY, SEES 'NO CHANGE' IN SRV

BK270131 Bangkok BANGKOK POST in English 27 Dec 86 p 1

[Text] Prime Minister Prem Tinsulanon said yesterday he welcomed the Armed Forces' role in helping the Government upgrade the livelihood of the people, promote national prosperity and enhance unity.

Gen Prem described the Armed Forces as "one of the very important sectors needed to preserve stability, sovereignty and the wellbeing of the people".

Addressing foreign correspondents, Gen Prem said his government had in the past three years achieved a satisfactory degree of success in political and economic aspects.

However, the prime task remains the eradication of poverty.

The Prime Minister said democracy was developing. "We want to say that democracy in Thailand is progressing. We have good continuity in government since I took office. We have the orderly functioning of democracy."

"Anything that is not in the right track of democracy was rejected by the people," said Gen Prem, citing the abortive coup attempts against him.

"This adminstration will pursue a more expansive economic policy after years of austerity. It is time to go on the offensive. We are not in the foxhole anymore," he added.

Describing the Japanese market as the toughest to penetrate, Gen Prem said Thai exports had increased significantly, "probably due to the yen appreciation and the low prices of Thai products". He was pleased that Thai products were becoming more acceptable among Japanese consumers.

Commenting on speculation he would step down in two years, Gen Prem said: "Well, er, when you play a game, you've got to play according to the rules. That would be my answer now. It depends on so many factors."

About himself, he said he wanted to be a common man rather than be named a statesman.

"I am a common man and I'm happy to be so. I don't care how the public puts me in the book," he said.

On Vietnam's leadership change, Gen Prem said he detected no change in Hanoi's policy.

Expanding on the point, Foreign Minister Sitthi Sawetsila said Thailand would have to wait for the new government in Hanoi to announce its policy.

ACM Sitthi said Thailand welcomed any proposal for dialogue from Hanoi, providing the talks produce positive results.

Further on Prem Comments

BK270318 Bangkok Domestic Service in English 0000 GMT 27 Dec 86

[Statement by Dr. Montri Chenwitkan, deputy government spokesman, on Prime Minister General Prem Tinsulanon's meeting with foreign correspondents at Government House on 26 December -- recorded]

[Excerpts] Prime Minister General Prem Tinsulanon met with foreign correspondents working in Thailand yesterday morning. These correspondents included those working for such major newspapers and magazines as NEWSWEEK, THE NEW YORK TIMES, THE ASIAN WALL STREET JOURNAL, THE FAR EASTERN ECONOMIC REVIEW, ASIAN WEEK, UPI, CBS, and a number of Japanese news and television agencies. [passage omitted]

Asked on his view of the leadership change in Vietnam and how that would affect the Thai-Vietnamese relationship, Gen Prem and Air Chief Marshal Sitthi said that they detected no significant change in Vietnam's policy toward Thailand and toward the settlement of Khmer issue. Thailand, however, wants to make friends with every country. There were, of course, no economic sanctions against Vietnam. The private sectors are allowed to trade with Vietnam which, however, have some problems with the cash, and it would be difficult to trade with Vietnam through the government. But anyhow, the Thai Government would get involved in major trade relationship after Vietnam leaves Kampuchea.

Thailand has also promoted good relationship with Laos which should result in increase in the volume of border trade between the two countries.

Air Chief Marshal Sitthi also said that he viewed the evacuation of Vietnamese troops from Cambodia as a condition for any normalization of political ties with Vietnam. He said he was willing to meet Nguyen Co Thach, the Vietnamese foreign mnnister, for a talk. But the talk must produce some significant result, otherwise it would be quite empty meeting and would be no use.

On the refugee problem, Squadron Leader Prasong Sunsiri, who has great experience in dealing with this problem [word indistinct] of the evacuation in three phases of the refugees from Khao I-Dang holding camp to other safe sites. He lamented the fact that no third countries wanted to resettle these refugees, and the Thai Government had to do its best to take care of these refugees with the help of the UNHCR.

The prime minister ended the meeting with foreign journalists by inviting them and their leaders to join the Thai people in the celebration of his majesty the king's 60th birthday anniversary next year, which will be a grand occasion because it also coincides with the Visit Thailand Year. I think that would be the essence of the meeting between the prime minister and foreign correspondents.

SITTHI TO BETTER TIES WITH USSR, EAST BLOC

BK260155 Bangkok THE NATION in English 26 Dec 86 p 2

[Text] Foreign Minister Sitthi Sawetsila, outlining Thailand's foreign policy in 1987, said yesterday more emphasis will be given to ties with the Soviet Untion and Eastern European countries.

His planned visit to Moscow and three of its allies next May is part of the efforts to improve the overall relations with them particularly on the economic front.

He said during the Moscow visit he hopes to meet top Soviet leaders, either Mikhail Gorbachev or Andrey Gromyko, to discuss the bilateral ties.

Despite some political differences with the Soviet Union and Eastern European countries, he said, other aspects such as trade cooperation with the East Bloc nations should not be ignored. He will also visit Czechoslovakia, Poland and East Germany.

Thailand wants to tap the vast market potential of these communist countries. Bangkok already has an extension economic relations [as published] with China.

Reviewing the achievements of the Foreign Ministry in 1986 and Thailand's relations with other countries, Sitthi singled out the October visit here of Indian Premier Rajiv Gandhi as one of the ministry's top successes.

Gandhi's visit to Thailand was realized after a series of exchanges of high-level visits between officials of both countries, he said.

The Thai-Indian ties have gradually improved following Sitthi's visit in 1985 to India despite the different stand taken by Bangkok and New Delhi on the question of Kampuchea.

Sitthi said he was satisfied with the improvement in relations with Thailand's neighbours, particularly Burma, Laos and Malaysia.

He expressed appreciation to the Burmese understanding of the recent log scandal involving the import of timber illegally felled by Karen rebels to Thailand. Burma abstained from any criticism of the Thai government.

The good relations with Burma, Sitthi said, will eventually translate into more economic and trade cooperation.

Relations with Laos, he said, will be strengthened and more concrete proposals between the two governments will be forthcoming.

PRC'S LIU SHUQING SEES NO SRV CHANGE IN CAMBODIA

BK270151 Bangkok THE NATION in English 27 Dec 86 p 3

[Text] Thailand and China yesterday said that the Vietnamese efforts to revitalize its economy will be difficult as long as its troops remain in Kampuchea, the Foreign Ministry spokesman said.

Spokesman Sarot Chawanawirat told reporters after the three-hour discussion between M.R. Kasem S. Kasemsi, the permanent secretary for foreign affairs, and Chinese Vice Foreign Minister Liu Shuqing that both sides agreed that there was no change in the Vietnamese approach to the eight-year Kampuchean problem.

"On one hand, Vietnam professes to go all out for the economic development. On the other hand, they are occupying Kampuchea. These two policies do not go hand in hand," Sarot said.

The discussion yesterday focused on the situation in Kampuchea and bilateral issues.

Liu briefed Foreign Minister Sitthi Sawetsila Wednesday night on the outcome of his five-day visit to Vientiane. The content of the discussion was not revealed.

He also informed Kasem of the progress in the ongoing dialogue between China and the Soviet Union. The two countries have held all together nine rounds of consultations and the Kampuchean problem was mentioned in the last meeting.

China reiterated that the role of the Soviet Union is very crucial to the efforts to seek a peaceful settlement of the Kampuchean problem.

Sitthi is scheduled to visit Moscow and Eastern Europe next May. In a recent interview, he said that the direction of Thailand's foreign policy in 1987 will focus on the eastern bloc to tap their market potential for Thai export.

Liu said that Chinese Foreign Minister Wu Xequian will visit Bangkok in April to coincide with the annual meeting here of the Economic and Social Commission for Asia and the Pacific (ESCAP).

The meeting between Kasem and Liu is the sixth of the series of annual consultations between the two countries. The venue is rotated between Beijing and Bangkok.

Deputy Premier Phong Sarasin also plans a returned visit to Beijing next year, Sarot said. Chinese Vice Premier Tian Jiyun visited Thailand recently.

Both sides also discussed the preparation for the upcoming visit to China by HRH Crown Prince Wachiralongkon in February. Several members of the Royal Family have visited China, including HRH Princess Maha Chakri Sirinthon.

Sarot quoted Kasem as saying that Thailand attaches great importance to the prince's pending visit as it symbolizes the goodwill and close friendship between the two nations.

EDITORIAL ON U.S. AID CUT, MILITARY SPENDING

BK291324 Bangkok SIAM RAT in Thai 29 Dec 86 p 3

[Editorial: "When the United States Cuts Aid to Thailand"]

Text] U.S. internal economic problems, its trade and budget deficits, have forced the United States to reduce considerably financial assistance to its allies. This change also has an impact on Thailand.

According to published figures, U.S. aid to Thailand will be reduced from $92.5 million last year to $57.2 million this year. The cutback in foreign military credits for Thailand amounted to $80.5 million.

On the whole, Thailand this year will receive $35 million less in aid than last year. The money will be given in the form of grants. There will be no more special loans.

This aid cut will affect Thailand's economic base, already shaken by the repercussions from U.S. competition in rice trading and growing protectionism. Both countries are under pressure to take measures to safeguard their interests which unfortunately run counter to each other, and the country which stands to suffer is the smaller and economically less powerful U.S. ally, Thailand.

Worst affected by the U.S. aid cut will be the Thai Armed Forces. The Army will certainly have to review its projects, especially those planned using the projected aid budgets. This will have to be done immediately in the new year.

There has been a report that the government may borrow from the private sector for spending on military projects in place of the aid cut. Such a report, although still unconfirmed, is noteworthy as this will considerably affect Thailand's financial situation if true.

Everything concerning the Armed Forces and the Army has always been a mystery, especially concerning it budget plans and projects. Of course, military affairs must be conducted in secrecy as it directly involves national security. Anyway, the money spent by the military also comes from the people's tax money, and therefore must be subjected to screening by the people's representatives in the parliament. So far, the military has never yielded an inch of its interests when it comes to budget allocations. An example of this is the parliament deliberation in the 1987 budget bill. It is difficult, even impossible, to debate about the degree of the military's need for one allocation or another.

We do not want the people to shoulder unnecessary burdens. It is therefore up to the military itself to decide what is most needed and what is less needed based on its sympathy for the people who pay taxes. The foreign budget cut will make it necessary for us to find money to finance necessary programs. However, under such a circumstance the people should be given a clear knowledge of military spending.

ARMY SEIZES CPM CAMP NEAR MALAYSIAN BORDER

BK300029 Bangkok BANGKOK WORLD in English 29 Dec 86 p 3

[Text] Narathiwat -- One of the biggest military camps of Communist Party of Malaya (CPM) hidden in a forested area here close to Malaysia was seized yesterday morning after a clash with a CPM patrol unit, Col Banchon Chawansin, spokesman of the fourth regional army, said this morning.

Col Banchon said that the camp was located in Sukhirin District of Narathiwat Province and comprised some 46 household units, a big kitchen unit, a basketball playground, and a football playground.

A large amount of war weapons and communications equipment were also seized, he said.

VO DONG GIANG ON SRV-PRC, LPDR-PRC RELATIONS

OW291839 Hanoi VNA in English 1524 GMT 29 Dec 86

[Text] Hanoi VNA Dec 29 -- Commenting on the tasks set by the 6th Congress of the Communist Party of Vietnam with regard to Vietnam's policy concerning Southeast Asia, Vo Dong Giang, cabinet minister at the Vietnamese Foreign Ministry, said in an interview with the Soviet daily IZVESTIYA:

"The traditions of the common struggle for freedom, as well as the community of goals, bind Vietnam with Laos and Kampuchea. The countries of Indochina pursue a coordinated policy aimed at turning Southeast Asia into a region of goodneighbourly relations and cooperation. This policy is consonant with the officially proclaimed objective of the ASEAN countries: to create a zone of peace, freedom and neutrality there. Vietnam together with Laos and Kampuchea is always ready to travel its part of the road for the sake of the normalization of relations with the ASEAN member states, which would be a good contribution to the stabilization of the situation in the whole of the Asian-Pacific region".

Vo Dong Giang recalled that at the recent conference of foreign ministers of the three countries of Indochina, Vietnam had put forward constructive proposals on the settlement of the situation around Kampuchea. The United States which is one of the main instigators of the undeclared war against Kampuchea supports financially and supplies with weapons the so-called "coalition government" knocked together with its blessing which is dominated by the Pol Pot clique condemned by the whole world for the crimes of genocide.

He went on: "As for the relations between Vietnam and the People's Republic of China, the 6th Congress of the Communist Party of Vietnam pointed out that the peoples of Vietnam and China were bound by many ages of friendship, by the experience of the struggle against imperialism. Our two countries are neighbours, they are both interested in peace as the main condition of economic and social development. Vietnam values high the friendship between the two nations and will do its utmost to restore it as soon as possible. We put forward a number of proposals on the normalization of Vietnamese-Chinese relations and are ready to start talks on this problem on any level and anywhere".

Vong Dong Giang said in conclusion: "We also support the important initiatives of Laos on the normalization of relations with China on the basis of the observance of the principles of equality and mutual respect for the interests of both sides. Vietnam fully shares the intention of Laos to develop good neighbourly relations and consolidate mutual understanding and trust with Thailand. The Vietnamese Government approves the readiness of the People's Republic of Kampuchea to start talks with the opposition groups for the sake of achieving national accord on the basis of the removal of Pol Pot supporters as a political and military force".

NGUYEN VAN LINH INTERVIEWED BY BULGARIAN TV

BK301045 Hanoi International Service in English 1000 GMT 30 Dec 86

[Text] The fundamental task of Vietnam at present is to stabilize the socioeconomic situation and create necessary conditions for socialist industrialization in 1987 and the coming years.

In an interview with a Bulgarian television correspondent, Vietnamese party General Secretary Nguyen Van Linh said that the main and great task of the entire Vietnamese party and state at present is to readjust the production and investment structure to fully exploit all labor potentials and possible conditions to successfully implement the three major programs: boosting the production of food and foodstuffs, consumer goods, and export articles.

Party General Secretary Nguyen Van Linh said: It is necessary to strengthen the socialist production relations and improve the mechanism of economic management. The Vietnamese party and state should transform the market to stabilize the people's life, gradually improve the living standards, especially those of wage and salary earners.

On Vietnam's foreign policy, party General Secretary Nguyen Van Linh underscored the strategic significance of the alliance among the three Indochinese countries -- Vietnam, Laos, and Kampuchea -- the solidarity and cooperation with the Soviet Union and other socialist countries. He also reiterated Vietnam's consistent policy toward Southeast Asian nations. He said: There are fine prospects for Bulgaria-Vietnam cooperation, especially in the plan for development of tropical industrial plants and the joint tourist ventures.

NGUYEN VAN LINH RECEIVES PORTUGUESE DELEGATION

BK271616 Hanoi VNA in English 1500 GMT 27 Dec 86

[Text] Hanoi VNA Dec 27 -- Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, today received a delegation of the Communist Party of Portugal [CPP] led by General Secretary Alvaro Cunhal, which has visited Vietnam to attend the Sixth CPV Congress.

With him were Tran Xuan Bach, Politburo member and secretary of the CPV Central Committee; and Nguyen Quang Tao, deputy head of the International Department of the CPV Central Committee.

Speaking to his guests, Nguyen Van Linh welcomed the presence of the CPP delegation at the CPV congress which, he said, has brought a great encouragement from the Communist Party and working people of Portugal to the Communist Party and people of Vietnam.

Alvaro Cunhal, for his part, highly valued the success of the Sixth CPV Congress and expressed gratitude to the CPV and the Vietnamese people for their hospitality.

The two party leaders expressed their satisfaction at the constant enhancement of friendship and militant solidarity between the two parties and peoples and wished for further consolition and development of these ties on the basis of Marxism-Leninism and proletarian internationalism.

Communique on Delegation's Visit

BK271617 Hanoi VNA in English 1503 GMT 27 Dec 86

[Text] Hanoi VNA Dec 27 -- A delegation of the Communist Party of Portugal [CPP] led by General Secretary Alvaro Cunhal paid an official visit to Vietnam from Dec 13-27 at the invitation of the Communist Party of Vietnam Central Committee. While in Vietnam, it was cordially received by CPV General Secretary Nguyen Van Linh. It held talks with a CPV delegation led by Tran Xuan Bach, Political Bureau member and secretary of the CPV Central Committee. The two sides informed each other of the situation of their respective countries and activities of their parties, and exchanged views on international issues of mutual concern. In an atmosphere of solidarity and friendship the two sides showed an identity of views on all questions raised at discussion.

The CPV delegation highly appreciated the CPP's decisive contributions to the April Revolution in Portugal, and its continued struggle for democracy and social progress. It reaffirmed the Vietnamese Communists' and people's solidarity with and full support for the Portuguese Communists and other working people's struggle against the reactionary forces to defend democracy, national independence, and the revolutionary gains as well as the interests of the working class of Portugal.

The CPP delegation expressed great joy at the big achievements of the Vietnamese revolution and the success of the Sixth CPV Congress. It reaffirmed the Portuguese Communists' solidarity with and full support for the Communist Party and people of Vietnam in national construction and defence. It expressed deep concern over the situation in Southeast Asia and underlined the importance and value of the proposals put forth by Vietnam, Laos and Kampuchea aimed at turning this region into one of peace, stability and cooperation.

The two sides highly valued the Soviet Union's initiatives and proposals for disarmament and eventually the elimination of nuclear weapons aimed at maintaining world peace and averting mankind from the danger of a nuclear holocaust. They reaffirmed their solidarity with the world people's struggle against U.S.-led imperialism and other international reactionary forces for peace, national independence, democracy and socialism. The two sides held that in face of the imperative international conjuncture at present, the international communist movement and other forces of peace and progress should consolidate solidarity and promote coordination of actions. They were of the same view on measures to be taken to strengthen cooperation and friendship between the two parties on the basis of Marxism-Leninism and proletarian internationalism.

The visit to Vietnam by the CPP delegation has marked a new step of development of the already-established and fine relationship between the two parties and two peoples.

NGUYEN VAN LINH RECEIVES DEPARTING LAO ENVOY

OW292118 Hanoi VNA in English 1540 GMT 29 Dec 86

[Text] Hanoi VNA Dec 29 -- Lao Ambassador to Vietnam Kampheun Tounalom today paid a farewell visit to General Secretary of the Communist Party of Vietnam Central Committee Nguyen Van Linh before his departure for home for a new assignment.

General Secretary Nguyen Van Linh had a cordial conversation with the Lao diplomat. He highly valued the active contributions of Ambassador Khampheun Tounalom to promoting the special relations between the parties and peoples of Vietnam and Laos.

ALBANIAN DELEGATION TO 6TH CPV CONGRESS DEPARTS

OW250941 Hanoi VNA in English 0828 GMT 25 Dec 86

[Text] Hanoi VNA Dec. 24 -- The delegation of the Albanian Party of Labour led by Xhemal Dymylja, member of the party Central Committee and first secretary of the party committee of Elbasan Province, left here for home today after attending the 6th C.P.V Congress. It was seen off by Tran Xuan Bach, Politburo member and secretary of the C.P.V. Central Committee, and others. Albanian Ambassador Syrja Laze was among the farewell party.

PHAM HUNG ADDRESSES PUBLIC SECURITY FORCES

BK231049 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Dec 86

[Text] Fired by enthusiasm over the success of the sixth national party congress, on 19 December the Ministry of Interior held a get-together of the ministry's leaders and the delegates of the people's public security forces attending the congress.

Comrade Pham Hung, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of the interior, attended and cordially addressed the delegates. He expressed happiness over the fine success of the congress and urged the delegates to gain a thorough understanding of the spirit of the congress. The people's public security forces must effect real changes, renovate their way of thinking, and change their old workstyle which is no longer suitable. By taking revolutionary actions, the people's public security forces should strive to do their utmost to overcome all difficulties and successfully implement the resolution of the sixth national party congress.

Many delegates representing the party organizations of the public security forces in various localities made speeches expressing their resolve to join the collective of leadership in quickly disseminating the party's resolution among all cadres and combatants and successfully implementing it, thereby contributing to the efforts of the public security forces throughout the country in satisfactorily carrying out the task of ensuring state security and public order and safety.

AFP CITES 'SENIOR OFFICIAL' ON CAMBODIAN SITUATION

BK210956 Hong Kong AFP in English 0919 GMT 21 Dec 86

[Text] Hanoi, Dec 21 (AFP) -- Vietnam plans to withdraw more of its troops from Cambodia next year, probably at the end of the current dry season in April or May, a senior Vietnamese military official has said. The size of the withdrawal would "depend on the situation," but it could involve more troops than other such moves in recent years, the senior official told AGENCE FRANCE-PRESSE.

"If the situation permits, why not plan to withdraw 50,000 to 60,000 men at one time," he said. But he indicated that this year's troop withdrawal had not been on anything like this scale.

Vietnam has around 140,000 troops in Cambodia, according to Western estimates, fighting Cambodian resistance forces whose permanent presence on Cambodian territory is estimated at between 10,000 and 15,000 guerillas. Hanoi has announced five partial troop withdrawals since 1982, each involving about 10,000 soldiers, but Western military experts have said they were simply troop rotations. Vietnam has said it will withdraw all its troops from Cambodia by 1990.

The senior Vietnamese official said the military situation within Cambodia so far during the current dry season had been "better" than this time last year. "The Khmer Rouge have not yet launched any major attacks," he said, but at the same time "the situation along the (Thai) border is more complicated because of incursions by the Thai Army." In recent months, Vietnam and Cambodia have repeatedly denounced what they charge is an increasing involvement of the Thai Army with Khmer guerrillas fighting against the Hanoi-backed Cambodian Government of Heng Samrin.

Within Cambodia, "the battle is showing signs of being waged more on the political front," the Vietnamese official said. "The Khmer Rouge has intensified its political activities (among the rural population) because they need to recruit new forces to compensate for losses. They are also currently preparing for an eventual political solution (to the Cambodian conflict)," he said. "In any case, the date for the withdrawal of Vietnamese troops from Cambodia by 1990 is unchanged."

FURTHER REPORTAGE ON NATIONAL ASSEMBLY SESSION

Vo Van Kiet Report, Installment 1

BK291144 Hanoi Domestic Service in Vietnamese 1100 GMT 26 Dec 86

[First installment of 24 December report on the 1987 socioeconomic development plan by Vice Chairman of the Council of Ministers and Chairman of the State Planning Commission and party Central Committee Politburo member Vo Van Kiet to the 12th session of the 7th National Assembly on behalf of the Council of Ministers]

[Text] At the 12th session of the 7th National Assembly, on behalf of the Council of Ministers, Comrade Vo Van Kiet, vice chairman of the council and chairman of the State Planning Commission, presented to the National Assembly a report on the 1987 socioeconomic development plan. The report is composed of three parts:

I. The Implementation of the 1986 Socioeconomic Plan;
II. The Main Tasks, Targets, and Measures of the 1987 Socioeconomic Plan; and
III. Some Issues Concerning the Guidance of Implementation.

In this program, we will present the first part of the report on the implementation of the 1986 socioeconomic plan. You are now invited to listen to this part.

Part I

The Implementation of the 1986 Socioeconomic Plan [subhead]

Comrade National Assembly Deputies: The 1986 state plan was implemented at a time when the socioeconomic situation was strewn with many difficulties. The causes of these difficulties were objective ones, but the main cause was our shortcomings in guidance over implementation. Besides the planned targets that were fulfilled or overfulfilled in comparison with those of 1985, and besides a number of good models of business activities which continued to emerge and scored many new achievements, there still were several other important planned targets which remained unfulfilled or, in some respets, were fulfilled at a lower level than in the previous year. The general situation is still developing in a complex manner.

Following is the specific status of the implementation of the 1986 state plan:

1. Concerning agricultural production, we made some progress such as fulfilling the rice area plan of the entire country, obtaining fairly good winter-spring and summer-fall rice yields in the south, and developing the winter subsidiary food crops in the north in terms of area, yield, and output, especially as far as potatoes and maize are concerned. However, successive natural calamities greatly affected production work in some regions, especially in the north and the central coast. Worse still, these natural calamities concentrated in provinces traditionally considered the rice basket of the Bac Bo Delta, such as Hai Hung, Thai Binh, and Ha Nam Ninh. What should be stressed here is that a balance of material conditions was not ensured, especially with regard to fertilizers and insecticides. This responsibility rests primarily with the Council of Ministers, the State Planning Commission, and the Ministry of Foreign Trade which failed to work out measures to provide timely guidance for the use of the source of foreign exchange for this purpose. As a result, the average annual rice yield stood at only 28.3 quintals per hectare compared with the planned target of 30.4 quintals per hectare. Regarding subsidiary food crops, production fell short of the plan and both area and output continued to drop, although there was a slight increase in the north. The shortcomings in investment and in the organization of subsidiary food crop production and marketing have been pointed out for several years, but concrete measures and policies have yet to be devised to solve this problem. As a result, there has been in fact no significant progress in this matter.

In toto, grain output for the whole year was estimated at 18.5 million metric tons in paddy equivalent. Although this figure showed an increase of about 300,000 metric tons over 1985, it fell short of the plan by 1.5 million metric tons.

Grain procurement has failed to attain the planned target. While the target for the transportation of rice from the south to the north has been poorly met, the north has had to provide assistance to areas stricken by natural calamities. That is why the grain situation in the state-run sector in the north continues to be beset with difficulties.

Industrial crops reached 93.3 percent of the planned target for acreage, up by 4.8 percent over that of 1985. Short-term industrial plants, however, covered only 88.6 percent of the plan or equal to 1985. Peanut, soybean, jute, and cotton crop production showed some increase over 1985 but sugarcane and tobacco crop production dropped. This is chiefly because contracts were signed too late, material conditions were not promptly guaranteed, and the buying price was not appropriate.

The cultivation plan for long-term industrial crops such as rubber, coffee, and tea was fulfilled and there was some progress in carrying out intensive cultivation in existing areas: The output of coffee increased by 25 percent, and tea by 12 percent over 1985.

In livestock-breeding, the cattle population has met the planned target and rose by 7 percent while the buffalo and poultry population was higher than the 1985 mark but fell short of the target. The hog population in particular has reached a level almost equal to that in 1985. Apart from the reason for the shortage of animal feed, the price for pork has not been able to catch up with the fluctuations of food prices and has therefore affected the growth of the hog population. The circulation of cattle and animal husbandry-related products between various areas continues to meet numerous impasses.

The volume of marine products caught has attained the planned target and has increased by 3.3 percent over that in 1985. The movement to raise shrimp for export, especially in the Mekong River Delta, continues to expand.

Afforestation work in many areas has experienced changes for the better: In centralized afforestation, we have attained 166,000 hectares, thus exceeding the plan's target and representing an increase of 12 percent over 1985. The area of jungle being burnt down and the bad practice of deforestation have, though showing some signs of decrease, remained serious.

2. Industrial, small-industry, and handicraft production. Right from the beginning of the year, we have advocated bringing consumer and export goods into vigorous play. The output of many products has increased markedly such as curtain fabric, up by 56 percent; towels, up by 46 percent; and monosodium glutamate, up by 47 percent. The output of local industries also increased in a number of provinces and cities such as Hanoi, up by 9.4 percent; Haiphong, up by 11 percent; Dong Nai, up by 15 percent; and Binh Tri Thien, up by 9 percent. However, generally speaking, the value of the consumer goods industry rose only 6.3 percent over that in 1985 while the set plan required an increase 9-10 percent. In small-industry and handicraft production in particular, though having great potential, it rose only 4.3 percent. The main reason for this is that the plan for the purchase of raw agricultural materials was not attained and there was a lack of policies aimed at tapping the latent potential of the state-run economic sector and of other economic components such as handicraft cooperatives and family and private economies.

Responsible organs at the central and local levels have yet to pay attention to meeting and providing promptly raw materials, supplies, and food provisions to the cooperative sector. Low labor cost has provided no incentive to the laboring people.

A major shortcoming is that the import of supplies and raw materials needed for the production of consumer goods has not been dealt with promptly. The already-limited source of supplies and raw materials has been used in an unconcentrated manner on essential products.

Worthy of note is that product quality continues to decrease, especially that of consumer goods such as bicycles, bicycle tires and inner tubes, electric bulbs, thermos bottles, fountain pens, soaps, and matches.

In heavy industry, the plan for some branches like coal mining, steel, tin, lighters, electric motors, transformers, pumps, tractors, and phosphate fertilizer was fulfilled. The plan for electricity generating and cement production was poorly met. Coal quality was not guaranteed.

3. The communications and transportation sector fulfilled the plans for transportation of imports and transportation of goods to the northwestern provinces. However, only 83 percent of the plan for transportation of goods between the north and the south were fulfilled while all the plans for transportation of coal, cement, apatite, supplies, and goods to the northern border provinces were unfulfilled. Passenger transportation -- despite a 9 percent increase, due mainly to the efforts of various localities to create additional material conditions -- was still unable to meet demand, and the moving of people was still beset by many inconveniences and difficulties. This was due, on the one hand, to insufficient and unsteady goods supplies and to shortages of materials, fuel, and spare parts, and, on the other hand, to the lack of harmonious coordination among different intermediary transportation units.

The post and telegraph sector consolidated its shortwave telecommunications centers in Hanoi, Danang, and Ho Chi Minh City and strengthened information services at various borderlines and some key state projects. However, the quality of telephone service was still poor and there were still delays and losses of letters, official correspondence, mail, items, and parcel post.

4. In capital construction, capital and material conditions were concentrated on key targets and the pace of construction of key state projects -- such as the Hoa Binh, Tri An, and Pha Lai electric power plants; the Quy Hop tin mine; the Vang Danh coal mine; and the Dau Tieng and Thach Nham water conservation projects -- was ensured. Construction of the fourth generator unit of the Pha Lai electric power plant was completed and the unit was put into operation.

The plan for rubber, coffee, and tea planting was fulfilled, while the irrigated area was increased. A number of cities and towns built more residential houses and took a further step in resolving the problem of drinking water supply.

It is worth noting that although a policy was adopted early in the year to cut investment capital, implementation was slow. Some ministries and localities not only failed to reduce investment capital but, on the contrary, requested a further increase. This led to a 40 percent increase in local budget investment capital over the planned target. On the other hand, the prices of construction materials and wages also increased, resulting in a corresponding increase in the costs of each project. For this reason the total investment fund for capital construction has exceeded the level approved by the National Assembly. Although there was a surplus of construction materials due to a reduction in the investment capital of some projects, that surplus had to be sent as supplementary supplies to other key projects.

5. Export value and the export of many important kinds of goods fell short of the plan. Most noteworthy was the export of vegetables and fruits, which achieved only 71 percent of the planned target. The central government failed to control enough foreign exchange necessary to import materials to satisfy the pressing demands of the economy. Competition in the purchase of export goods, which caused prices to increase, remains prevalent.

The policy regarding investment in production for export, purchase prices, the organization of purchase activities, and the rearrangement of the export-import organization, and so forth, has yet to be resolved satisfactorily, thereby affecting considerably the scope and effectiveness of export-import activities.

6. In the distribution of manpower, right from the beginning of the year, the standing body of the Council of Ministers has paid attention to providing guidance to new economic zones while the State Planning Commission has doubled the capital investment in these zones and has set aside 50 percent of the funds for concentrated investment in three Central Highland provinces in order to create the infrastructure for new population centers. The in-province distribution of manpower has been satisfactorily brought into play in various localities such as Hau Giang, Cuu Long, and Quang Nam-Danang. In sending the people to new economic zones, various measures have been settled in a more practical manner between the delivering and recipient localities.

The norm for moving people to new economic zones, though increasing by 5 percent over that in 1985, reached only 55 percent of the plan. The main reason for this is that many policies have not been supplemented or revised. The allocation of materials and food provisions to new economic zones has not been uniform and timely. The handing over of funds to localities that receive the resettlers has not been settled categorically. The mechanism that guides the distribution of manpower and population at various echelons has yet to be organized uniformly. There have been mid-year decisions -- taken out of a fear of inadequate preparatory conditions -- to slow down the process of sending people to new economic zones.

In the state sector, due to a shortage of materials and funds, production has been disrupted and there has been a lack of stable jobs for laborers in a number of sectors, especially in capital construction. The streamlining of the state apparatus has yet to be carried out and there has been an absence of specific policies and measures for this. This has resulted in much confusion. A number of provinces and cities did proceed with rearranging their organization and streamlining their administrative staff. However, generally speaking, no remarkable changes have been noted.

7. Distribution, circulation, and lifestyle: In conducting collection and purchase activities to secure the sources of goods, excluding the price factor, the value of agricultural products collected and purchased in 1986 accounted for only 64 percent of that in 1985. The purchase of a number of essential agricultural food products such as pork, fish, soybeans, and sugarcane reached only 70-80 percent of the planned target. The main reasons for this are that prices have yet to be fixed appropriately, there is a shortage of materials and goods for use in economic contracts, and the market has been under loose control, thereby leaving private traders to compete with the state for buying goods. The volume of industrial goods secured under control constituted only 85 percent of that in 1985. This has excluded the price factor.

A number of products of state-run enterprises have been stolen. Due to price fluctuations, many units have held back their goods, waiting for better prices and, as a result, have failed to observe the discipline in the delivery of products.

As for goods belonging to the small-industry and handicraft sector, apart from the portion done under contract just for labor, the state has been able to get hold of 30-40 percent of the total.

The total volume of retail goods on the organized market, excluding the price factor, constituted only 86 percent of that in 1985. The retail level of many important goods catering to the people's life has fallen short of the plan. For example: pork attained only 89.7 percent; fresh fish, 93 percent; sugar, 59.6 percent; and fish sauce and seasonings, 68.5 percent.

In the organized market, there still exists a lot of confusion. Many organizations, units, and public organs without any trade functions have continued to engage in trade. Market control has continued to be lax and there has been a failure to curb activities of private traders, especially speculators, blackmarketeers, and embezzlers of state-owned materials and goods.

All cash budgets are exceeding receipts. Budgetary and money overexpenditures have all exceeded the projected plan. As a result, throughout 1986 the prices on the social market have continued to increase at a fast rate.

The people's lifestyle, notably that of workers and civil servants and especially those in the adminitrative and service sectors, in various state farms and forestry sites, as well as in various mountainous and border provinces, has become more difficult. The newly-promulgated wage system has exposed many irrationalities. The enforcement of the wage and allowance systems indexed to cost-of-living increases has not been uniform, thereby increasing confusion in distribution and a state of unevenness in income between various areas. The provision of grain, food, and consumer goods to various cities, large industrial complexes, and border and remote areas remains intermittent and there has been a failure to ensure the standards for quota.

The cost-of-living index has been fast increasing, thereby rendering the real income of wage earners smaller.

Peasants in areas stricken by typhoons and floods have met with numerous difficulties in grain. Even in certain areas where the average grain output is high, there are still some compatriots without enough food to eat due to unsatisfactory regulation of grain.

8. In the scientific, technological, cultural, and social fields: Scientific-technological work has made some new progress in the introduction of high-yield, pest-resistant rice varieties and highly productive corn strains. We have continued to carry out with success many capital survey to evaluate our latent potentials, have decided on a number of sketches for the development and distribution of the production forces of provinces and of almost all those districts already having a general plan.

The educational sector implemented the reform program up to grade 6 and expanded vocational training for students. Enrollment in general schools for the 1986-1987 academic year increased by 1.2 percent over the previous year while the numbers of textbooks went up by 16 percent.

Many new efforts were made in cultural, artistic, information, exhibition, library, and radio and television broadcasting activities, expecially during the drive in honor of the party congress. The planned targets for books and periodicals publication, printing, and distribution were fulfilled or overfulfilled. The numbers of people attending film and artistic shows increased over 1985.

The public health sector made efforts in disease prevention and treatment, combined the use of modern with traditional medicine in many forms, and expanded out-patient and home medical treatment services. The family planning movement was given greater attention by various sectors and localities; the population growth rate decreased by almost 0.1 percent in comparison with that in 1985. The sports and physical education movement was maintained and developed.

Generally speaking, we entered 1986 with major difficulties carried over from the previous year. There were serious imbalances in material and goods supplies; the errors made in the readjustment of prices, wages, and money circulation were strongly felt; natural calamities were more serious than the preceeding years; the new managerial mechanism was not yet set up; many necessary economic control policies were not studied and promulgated. Meanwhile, management was not centralized and really effective measures were not adopted to resolve pressing problems.

The implementation of the state plan yielded some results in the field of agricultural and industrial production as well as in the cultural and social domains. These results reflect the great efforts of our people in all localities throughout the country, especially in the areas affected by natural calamities. Although the important general targets of the economy were not fulfilled according to plan, they still represented an increase over 1985. Gross social product was up by 4.2 percent, national income by 4.3 percent, industrial output value by 5.6 percent, and agricultural output value by 1.4 percent.

The direct cause of the shortcomings in 1986 mainly lies in the following:

First, the 1986 plan was formulated at a time when there still were serious imbalances in the provision of many kinds of supplies and raw materials and when many systems and policies had not yet been clearly defined. On the other hand, due to our failure to fully foresee the complex developments of the situation and to correctly assess our capability of balancing supply and demand, a number of targets were set too high and there was a lack of uniformity in the measures adopted to achieve these targets.

Second, concerning prices, wages, and money: Although the Council of Ministers and its Standing Committee devoted much time to dealing with these issues, they did not obtain the expected results. Order and discipline regarding finance, money, and prices were still not restored.

Third, there was still much confusion in material supplies due, on the one hand, to frequent changes of systems and, on the other hand, to the lack of discipline and the failure to implement strictly the targets of the state plan. Because of the lack of smooth relations between various sectors and localities, the signing of contracts was beset by many difficulties and supplies were not directly delivered to producers and were scattered and lost while being transferred through numerous intermediary links, thereby creating loopholes for speculators and smugglers to exploit. The prevalent state of affairs was that supplies could not be accounted for, were used haphazardly and not according to the planned targets, and were still liberally squandered. The central government still lacked an appropriate policy aimed at exerting its right to unified management of foreign trade and foreign exchange and was unable to control the amount of foreign exchange needed for the importation of supplies and raw materials.

Fourth, law and regulations were enforced too loosely in the implementation of the planned targets and of state policies and procedures. Social negativism tended to increase, and the role of inspection and control organs were not adequately brought into play.

Fifth, the organizational, guidance, and managerial work of the Council of Ministers in the implementation of plans showed numerous weaknesses and shortcomings. Economic management instruments such as planning and economic control policies were not shaped and perfected and plans did not really serve as the main tool of the managerial system

This state of affairs demands that in 1987 there must be radical changes in economic guidance and management in order to gradually stabilize socioeconomic activities.

Development Plan Adopted

BK300459 Hanoi Domestic Service in Vietnamese 2300 GMT 29 Dec 86

[Text] As we have reported, the 12th Session of the 7th National Assembly has adopted a resolution on the 1987 socieconomic development plan. The content of the resolution is as follows:

1. Ratify the Council of Ministers' report on the implementation of the 1986 socioeconomic plan.

2. Define the orientations and tasks of the 1987 socioeconomic development plan and the major targets as follows:

-- Gross social output is expected to increase by 7.8 percent, and national income by 7.9 percent over 1986.

-- Total industrial output will be up by 9 percent over 1986, with the industrial output value of consumer goods increasing by 10 percent.

-- The value of total agricultural output is expected to increase by 6.2 percent over 1986. Grain output in paddy equivalent will be 19.2 million metric tons. The amount of grain procured by the state will total 4.5 million metric tons in paddy equivalent.

-- The total sum to be invested in capital construction will increase by 6 billion dong, with 22 billion coming from the central government's funds and 4 billion from local funds and funds acquired by grass-roots units themselves.

-- The value of export goods will total 850 million rubles and dollars [units of currency as heard].

-- The area of new forest planted concentratedly will cover 140,000 hectares.

-- The number of hogs is to reach 12.5 million head, an increase of 6 percent over 1986.

-- Marine products will total 620,000 metric tons, an increase of 5 percent over 1986.

-- Electricity output is targeted at 6.132 billion kwh, up by 9.4 percent over 1986.

-- The output of washed coal is set at 6.5 million metric tons, an increase of 5 percent over 1986.

--The amount of domestic freights will be 8.6 million metric tons or 7.19 billion metric tons/km, an increase of 5.5 percent in tonnage or 6.6 percent in tons/km over 1986.

-- The number of general education students reporting to class at the beginning of the school year is expected at 12.793 million, an increase of 2.2 percent over 1986.

-- The population growth rate is set at 2 percent.

3. The Council of Ministers is entrusted with the responsibility to continue studying and dealing with issues raised by the Economic, Planning, and Budget Committee, the Nationalities Council, other standing committees of the National Assembly, and National Assembly deputies in order to supplement the various measures and policies; to formulate and implement satisfactorily the three major economic programs concerning grain and food, consumer goods, and export goods; to proceed with renovating the mechanism of economic management based on the principle of democratic centralism with planning serving as the linchpin and on the application of economic accounting and socialist business; to strengthen the central government's right to leadership and centralized and unified management while developing the initiative and responsibility of localities and enhancing the right to autonomy in production and business as well as the right to collective mastery of the masses and grass-roots units; to restore order and discipline in economic management; and to uphold discipline and the law of the state.

It is necessary to really renovate supervisory work and the organization of cadres; adopt special, urgent measures to overcome and deal with problems concerning finance, money, prices, wages, technical supplies, investments in capital construction, export and import of foreign currencies, and communication and transportation; and bring into play the aggregate strength of the entire country to implement successfully the 1987 state plan with the aim of stabilizing by a step further the socioeconomic situation.

4. The National Assembly calls on compatriots and combatants throughout the country to uphold patriotism and love for socialism; enthusiastically emulate in productive labor; practice thrift; increase labor productivity; enhance the quality and efficiency of production, business, and other work; scrupulously observe discipline and the law of the state; effect a pure, industrious, economical, simple, and civilized life-style; resolutely struggle against negative phenomena in the economy and social life; and develop the success of the Sixth CPV Congress in an effort to comprehensively overfulfill the 1987 state plan and score numerous achievements in the undertaking to build socialism and defend the Vietnamese socialist fatherland.

Hanoi Reports Closing Session

BK291504 Hanoi Domestic Service in Vietnamese 1430 GMT 29 Dec 86

[By station correspondent]

[Text] After 5 days of intensive work with a high sense of responsibility, this afternoon, 29 December, the 7th National Assembly of the SRV solemnly closed its 12th session at the Ba Dinh Conference Hall in Hanoi.

Attending the session were Comrades Nguyen Van Linh, general secretary of the CPV Central Committee; Truong Chinh, chairman of the Council of State; Pham Van Dong, chairman of the Council of Ministers; Nguyen Huu Tho, chairman of the National Assembly; and many other comrade party and state leaders.

At 1630 [0930 GMT], the session began. Chairman Nguyen Huu Tho directed the session.

In this afternoon's session, the National Assembly passed the draft law on marriage and family, the resolution on the 1987 socioeconomic development plan, the resolution on the 1987 draft state budget, and the resolution ratifying the final statement of the 1985 state budget. Duing this session the National Assemlby deputies also unanimously adopted a statement by the SRV National Assembly in response to the appeal by the USSR Supreme Soviet to national assemblies and nations around the world concerning the need to take firm action to build a world free of nuclear weapons. The statement was read by Comrade Nghiem Chuong Chau, member of the National Assembly Secretariat.

[Begin Nghiem Chuong Chau recording] Statement by the National Assembly of the Socialist Republic of Vietnam:

With a deep sense of responsibility for the cause of peace and the security of nations, the seventh National Assembly of the SRV, at its session on 29 December 1986, warmly welcomed and fully supported the appeal addressed by the Supreme Soviet of the USSR on 19 November 1986 to the parliaments and nations around the world concerning the need to take firm action to build a world free of nuclear weapons and to ensure equally stable security for all states and nations.

Today, mankind is facing a turning point in its choice concerning issues of a global character. Never before was the danger of nuclear war caused by imperialism as great as it is at present. Mankind's only choice is to preserve life on earth, to compete economically and in the way of life under conditions of peaceful coexistence ahd the development of broad international cooperation. The appeal for peace by the Supreme Soviet of the USSR expresses the cherished aspirations of all nations, shows a great sense of responsibility in the struggle for the destiny of humanity, and enjoys strong support throughout the world.

Over the past nearly 1 year, since the famous 15 January 1986 statement by Comrade Gorbachev, general secretary of the CPSU Cenral Committee, on a comprehensive program aimed at completely liquidating nuclear weapons from now until the end of the century, the Soviet Union has repeatedly put forth important peace initiatives which strongly reflect its tireless struggle for a world free of nuclear weapons, for the nonuse of force in international relations, and for the building of a comprehensive international security system in all domains -- military, political, economic, and social.

The Soviet Union has unilaterally halted its nuclear weapons tests for more than 1 year. These great initiatives have raised the Soviet Union's consistent policy of peace to a new historical height. The Soviet Union has become the bastion of world peace and a source of great encouragement for the world people's struggle for peace and progress.

Opposed to the practical, noble, and goodwill actions of the Soviet Union, the United States still clings to its outdated policy, scheming to achieve military superiority over the Soviet Union, continuing to engage in the arms race and step up the militarization of space, continuing to carry out nuclear weapons tests, and seeking by all means to evade the agreements reached at the Soviet-U.S. summit at Reykjavik on the possibility of completely eliminating nuclear weapons. Recently, the United States even declared its renunciation of the Strategic Arms Limitation Treaty II. Obviously, the U.S. actions are a serious challenge to international peace and security.

The National Assembly and people of Vietnam fully support the urgent appeal of the Supreme Soviet of the USSR addressed to the parliaments and peoples of the world as well as the peace initiatives put forth by the Soviet Union, especially the historically important New Delhi statement signed recently by the Soviet Union and India on the principles of a world free of nuclear weapons and of the nonuse of force in international relations.

Implementing the foreign line of peace and friendship recorded in the SRV Constitution and affirmed recently by the Sixth CPV Congress, the SRV National Assembly and the Vietnamese people pledge to unite with the parliaments and peoples of the fraternal socialist countries and with all nations in the world to struggle and intensify their actions to build a world free of nuclear weapons and to bring about lasting peace and stable security for all states and nations on earth.

Hanoi, 29 December 1986 [applause] [end recording]

At 1730 [1040 GMT], National Assembly Chairman Nguyen Huu Tho read a speech to close the 12th session of the 7th National Assembly.

[Begin recording] Esteemed Comrade General Secretary Nguyen Van Linh, esteemed Comrade Chairman of the council of Ministers Pham Van Dong, dear comrade National Assembly deputies: Today, our National Assembly has satisfactorily concluded the last session of the Seventh National Assembly.

In light of the resolutions of the sixth national party congress and with a sense of responsibility toward the people, the National Assembly scrupulously reviewed the implementation of the 1986 state plan and state budget, discussed and decided the 1987 state plan and state budget, ratified the final account of the 1985 state budget, affirmed the achievements recorded in 1986, and pointed out the shortcomings and difficulties in economic management and social management that must be overcome. It also pointed out the need to truly change the supervisory and managerial work of the Council of Ministers and all state organs, and resolutely adopted emergency measures for socioeconomic tasks in 1987 so as to change the situation step by step and advance the country steadily.

On this occasion, the National Assembly warmly commended the people and soldiers throughout the country, especially the Armed Forces and people in the northern border provinces and our compatriots in the areas affected by natural calamities, for having surmounted all difficulties and ordeals, worked diligently, and fought gallantly, thereby scoring many outstanding achievements in production and fighting. [applause]

The National Assembly unanimously adopted the marriage and family law. It is necessary to implement scrupulously this law in order to contribute actively to building civilized and happy socialist families. The National Assembly highly valued the results of the activities related to foreign relations by our party and state in the recent past and issued a statement warmly responding to the appeal of the Supreme Soviet of the USSR on its decisive action to build a nuclear-free world.

Dear comrade National Assembly deputies, the term of office of the seventh National Assembly will end in June 1987 when the new National Assembly holds its first session. Our National Assembly has performed our work scrupulously and has attached importance to legislative and control work aimed at actively implementing all resolutions and policies of the party and state. Legislative work has been further intensified and the implementation of the National Assembly's right of control over the activities of the Council of Ministers, the People's Supreme Court, the People's Supreme Organ of Control, and other state organs has attracted attention and has made headway.

However, there are still many shortcomings and weaknesses in the activities of the National Assembly. The socioeconomic situation and the people's livelihood have not yet been stabilized. Proletarian dictatorship has slackened. Socialist democracy has not been satisfactorily implemented. State discipline has not been strictly observed. The law has not been scrupulously enforced. Manifestations of negativism in socioeconomic life still have not been effectively prevented. The National Assembly would like to scrupulously criticize itself and accepted the part of its responsibility in failing to fulfill its duty toward the people and to satisfy the cherished aspirations and expectations of the people.

After this session, the Nationalities Council, other standing committees of the National Assembly, and all delegations of National Assembly deputies must finish reviewing and drawing upon the experience of their activities in this term of office.

In the spirit of solidarity and renovation, let us, National Assembly deputies, actively participate in the masses; revolutionary actions and organize a vigorous socialist emulation movement throughout the country to successfully implement the resolution of the sixth national party congress and to completely fulfill and overfulfill the 1987 state plan.

On the occasion of the new year of 1987, I affectionately wish the comrade deputies good health and good results in your missions.

I hereby declare the 12th session of the 7th National Assembly closed. [applause] [end recording]

NDF LISTS 'POSSIBLE VIOLATIONS' OF TRUCE BY ARMY

HK301243 Hong Kong AFP in English 1231 GMT 30 Dec 86

[Text] Manila, Dec 30 (AFP) -- Communist rebels here Tuesday released a list of 17 "possible violations of the ceasefire" by the Philippine military in reply to accusations that they had broken the truce they signed with the government.

The alleged violations since the December 10 signing of the 60-day truce, included arrests, torture, harassment and intimidation of communist sympathizers by the military nationwide.

The list of violations was read out to a press conference by negotiators of the National Democratic Front (NDF), a coalition which represents the communist rebels in their talks with the government.

One of the NDF negotiators, Antonio Zumel, however, played down the importance of the alleged violations", saying: "We don't think they warrant a discontinuancy of the ceasefire."

The publication of the list, on the occasion of the opening of an NDF office at the National Press Club, appeared to be a propaganda move aimed at matching military charges that the rebels were guilty of 25 "possible violations," observers said.

The two NDF spokesmen said thay they will report the alleged violations to the National Ceasefire Committee, (NCC), an independent panel of five members charged with overseeing the truce.

They also said that the violations were "the direct effect of a primer issued by Army chief, General Fidel Ramos to the troops in the field".

They accused Gen. Ramos of having advised his field commanders to consider as "an hostile act" what they called "revolutionary taxation" by the NPA.

They said that such guidelines by the Army had not been authorized by the NCC and should therefore be discounted.

"Revolutionary taxation" involves the exaction of funds from businesses and residents in areas influenced by the NPA. The military says such exactions are a form of extortion and thus, are illegal.

The NDF negotiators also distributed to journalists, a document they said was a copy of an Army bulletin, dated November 13, in which the military were encouraged "to spread rumours" and "use half truths" in order to win the propaganda war with the insurgents.

NDF REPORTEDLY PLANS TO 'DO AWAY' WITH GOVERNMENT

HK261139 Manila Radio Veritas in Tagalog 1000 GMT 26 Dec 86

[Text] RV Balita [Radio Verita News] is trying to get in touch with high-ranking military officials regarding reports that the communist rebels are preparing to do away with the government next year. Included in these preparations is the propaganda which the National Democratic Front [NDF] will publicize to pressure the government to grant them their demands in the next negotiations. One of the NDF's demands is the formation of a coalition government that will form its own constitution aside from that which was drafted by the constitutional convention. The representatives of the government and the NDF will meet again on 3 January next year.

COMMITTEE HEAD URGES CEASE-FIRE ADHERENCE

HK270652 Manila MANILA BULLETIN in English 26 Dec 86 pp 1, 5

[By Rod 1. Villa, Jr]

[Text] Bishop Antonio Fortich, chairman of the National Ceasefire Committee (NCC), called on all armed sectors yesterday not to violate the truce agreement on the 18th anniversary of the Communist Party of the Philippines (CPP) today.

He said the people have all the reason to rejoice over what he described as "the most peaceful Christmas Day in nearly 20 years" yesterday, which he described as "an initial triumph of the fragile ceasefire."

Commission on Audit Chairman Teofisto Guingona, head of the panel of government negotiators, cautioned the National Democratic Front (NDF), particularly the New People's Army (NPA), against any "unusual demonstration" that could outrage the "silent majority" and spur the New Armed Forces of the Philippines (NAFP) into taking"defensive measures."

NDF negotiators Antonio Zumel and Satur Ocampo said they have the assurance of the 12 affiliate organizations of the NDF to abide by the ceasefire. In turn, they asked the NCC to focus its attention on "armed rightist extremists bent on sabotaging the truce."

Fortich said local ceasefire committees -- reinforced by leaders of non-government organizations, religious associations, and civic sectors -- were in place to monitor armed activities in "possible flashpoints" particularly in Central Luzon, the Visayas and Mindanao.

The NCC office in Diliman, Quezon City, had not received any new report of violent incidents related to the ceasefire up to press time last night.

Fortich said the committee was relying on the "sincerity of purpose" of the leaders of the opposing camps, as he stressed the "unswerving determination of the NCC to stay harshly neutral" in overseeing the ceasefire.

Guingona said the new atmosphere of freedom, peace, and brotherhood pervading the policies of the Aquino government should challenge the NDF to pursue its avowed aim to mutually achieve a lasting national peace.

In past CPP anniversaries, the rebels staged ambuscades and similar violent activities to celebrate the occasion.

Guingona reiterated the government's sincerity in pursuing peace by offering a broad program focused on the welfare and rehabilitation not only of the rebels but other sectors of the community, particularly the abused and the deprived.

Guingona said the program, a number of whose components are even now being implemented, should initially win back to the fold of law thousands of farmers and other persons who joined the rebel movement not for ideological reasons but because they were outraged by the injustice and inequities of the past regime.

Guingona said a stable and constitutional government remains the strongest guarantee of tranquility and a harmonious national movement toward peace and prosperity.

His views were shared by Jaime Guerrero and Maria Serena Diokno, the two other members of the government negotiating panel.

Addressing himself to the NDF, Guingona said, "This government is your government. It has a fresh mandate from the people, has repealed many of the oppressive decrees of the past regime, restored press freedom, stopped abuse against human rights, restored the right to strike and other enlightened orders for the good of labor. It is in the process of implementing vital programs such as land reform, social amelioration, economic and social change for the uplift of the common man."

He asked the NDF to join in the campaign for the ratification of the new constitution in the Feb. 2 plebiscite.

He called on the NDF to endorse the government's economic recovery program which would generate jobs.

He said that while the agenda covers a wide range of social and economic changes, it is necessary to resolve issues in the context of the 1986 constitution.

"Any vital change -- whether political, economic, or social -- can be, and should be, resolved within the context of the new charter," Guingona said, "It is the basis of government, the bedrock of our concern for all the people."

Meanwhile, Luis Jalandoni said a move was gaining for the formation of an international monitoring team to assist in supervising the ceasefire process.

He said these groups have pledged not to intervene in internal affairs. They would only inform the world of the progress of the amity talks as a deterrent to abuse, distortion, or violation.

COMMUNISTS DENOUNCE GOVERNMENT AMNESTY OFFER

HK261250 Hong Kong AFP in English 1245 GMT 26 Dec 86

[By Yasmin Arquiza]

[Text] Orion, Philippines, Dec 26 (AFP) — Filipino communists denounced an amnesty offer from the government and vowed to "continue the struggle until victory" in an 18th anniversary celebration here Friday.

More than 50 fully-armed guerrillas from the New People's Army (NPA), the armed wing of the banned Communist Party of the Philippines (CPP), joined some 2,000 people for the anniversary rally at this little town in Bataan Province west of Manila and some 30 kilometers (18 miles) from a U.S. naval base, eyewitnesses said.

The dismantling of two large U.S. military bases here is one of the demands of the CPP-led National Democratic Front (NDF) coalition, which is negotiating for a political settlement with President Corazon Aquino's government.

Friday's anniversary celebration came as a 60-day renewable ceasefire between the NPA and government troops entered its third week. Military officials complained that a similar gathering a day after the truce took effect was a "violation" of the ceasefire.

"We denounce the clever and reactionary call of the government for surrender, offer of amnesty and active spread of anti-communism," a young girl atop a makeshift stage read from a statement of the CPP in Bataan Province.

The government had offered "honorary amnesty" for rebels who gave up the armed struggle when the two sides exchanged their proposed agendas for the peace talks Tuesday, while the communists formally proposed a power-sharing arrangement.

A large streamer with the words "hail the 18th anniversary of the CPP in the national democratic revolution" and two flags with the hammer-and-sickle emblem adorned the stage under mango trees in the middle of a clearing.

Workers, students and peasants in slippers and red shirts waved red pennants and cheered wildly when the NPA's, their M-16 Armalites adorned with red ribbons, emerged from the nearby woods to join the rally.

Earlier, several military trucks carrying armed soldiers and streamers proclaiming "yes to democracy, no to communism" were seen on a highway a few metres (yards) from where the rally was held.

Rally speakers said it was the first time in its 18-year history that the CPP had invited a large number of delegates to the annual anniversary gathering.

A small group of university ideologues founded the CPP in 1969, and the NPA followed three months later.

Both groups expanded rapidly during the latter days of deposed President Ferdinand Marcos's 20-year rule, when human rights abuses and grinding poverty drove thousands of Filipinos to the left.

"The party's 18th year manifests 18 years of the people's unstinting support for the party, to which it has responded with unrelenting participation, service and leadership," a CPP anniversary statement read.

No mention was made of the CPP's disastrous boycott of February's presidential elections, which deprived the party of a key role in the subsequent military-civilian uprising which toppled Mr Marcos and swept Mrs Aquino to power.

The latest issue of THE NATION, the CPP's official organ, criticized the Aquino government's proposed agenda for the peace talks as having a "narrow, reformist and counterrevolutionary character." Mrs Aquino has vowed to unleash a retrained and rearmed military against the communist rebels if the peace talks fail.

The Presidential Palace said Friday that the government would not allow detained communist leader Rodolfo Salas to join the rebel panel in the peace talks. The NDF had demanded the release of Mr Salas in their proposed agenda for the talks. The request for Mr Salas's release was "an act of disregard for the laws of this country," a palace statement quoted Press Secretary Teodoro Benigno as saying.

Mr Salas, said by the military to be a CPP and NPA leader, was arrested in September and is currently detained in suburban military camp.

Mr Benigno said if the NDF negotiators insisted on the release of Mr Salas and the other demands in its agenda, the talks would end up as "a dialogue with the deaf."

BENIGNO ON COMMUNIST'S CONTINUED REBELLION

HK280540 Baguio City Mountain Province Broadcasting Company in English 0400 GMT 28 Dec 86

[Text] Despite the conciliation efforts by the government, Press Secretary Teodoro Benigno said yesterday the Communist Party of the Philippines has not wavered in its bid to overthrow the present government and to establish its own authority by force. Because of this avowed policy, Benigno said the government will continue to detain captured rebels as subversives and insurgents, and therefore subject to the law of the land. Benigno made the comments to reiterate the government's policy denying a request from the National Democratic Front to release captured communist leader Rodolfo Salas, also known as Commander Bilog.

He said Mrs Aquino tried to reconcile all the diverse factions of society when she assumed power by releasing political prisoners. This was also in fulfillment of the promise she made during the election campaign. But even after she had fulfilled the promise, Benigno said, the communists never stopped the insurgency. The insurgency continued against the government because the aim of the communist insurgency is to capture political power, Benigno said.

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NAKASONE DEFENDS DEFENSE SPENDING INCREASE

OW310649 Tokyo KYODO in English 0635 GMT 31 Dec 86

[Text] Tokyo, Jan. 1 KYODO -- Prime Minister Yasuhiro Nakasone, defending a fiscal 1987 defense spending increase that will break the 1 percent of GNP barrier, said Japan is not reverting to the militarism, but aims only to improve its self-defense capabilities.

In an annual new year press conference, Nakasone assumed a defensive position, backing military spending, tax reform, medical cost hikes for the elderly and plans to construct costly bullet train shinkansen lines.

The 1 percent of gross national product (GNP) limit set on defense outlays by the cabinet of Prime Minister Takeo Miki 10 years ago is out of keeping with the times, said the prime minister, who lobbed long and hard for funds to bolster Japan's military capabilities.

The 3,517.4 billion yen defense budget approved by the cabinet Tuesday will raise military spending in fiscal 1987 to 1.004 percent of Japan's projected GNP the same year. Although the hike barely edges above this year's level of 0.993 percent, its significance lies in the fact that a political obstacle limiting defense spending has been removed.

The cabinet Tuesday decided to prepare new guidelines to regulate defense spending but will put off action until Nakasone returns from his January 10-17 visit to Europe.

In his address, Nakasone argued that current economic growth has dropped 10 percent since the boom period 20 years ago when expansion scored 13.3 percent. As a result, he said, it is no longer feasible to link defense to economic factors, particularly as Japan is expected to assume more responsibility for security under U.S.-Japanese defense agreements.

Nakasone indicated his trip to Europe in mid-January will be aimed at forging new diplomatic ties with the region. In his talks with leaders of Finland, Poland, East Germany and Yugoslavia, said Nakasone, he plans to lobby support for another meeting between the United States and the Soviet Union aimed at reducing the arms race.

On the issue of a visit to Japan by Soviet leader Mikhail Gorbachev, initially slated for the period which Nakasone will now fill in with the European tour, the prime minister reiterated that Moscow holds all the cards. He added he believes that Gorbachev, bogged down at the present by domestic concerns, is personally interested in visiting Tokyo. If he did come, added Nakasone, "(bilateral) relations would improve."

On the recent issue of tax reform, Nakasone declared that the average wage earner -- the Japanese "sarariman" -- will come out a winner in 1987. Since the proposed added sales tax on purchases is not scheduled for implementation until January 1988, middle class wage earners, who bear a comparatively heavy tax burden under the present system, will benefit from income tax cuts and lower consumer prices, Nakasone said.

Critics, however, have already labeled the tax reform plan, which will gradually be implemented over a three-year-period from 1987, as ineffectual in boosting sluggish domestic demand.

Concerning controversial government plans to privatize the Japanese National Railways (JNR) and increase outlays for medical expenses for the elderly in 1987, the prime minister would only comment that he wanted the "cooperation" of the people in reform planning.

Touching on the issue of his term of office, extended last October for an additional year, Nakasone said he is not considering an early resignation. "I want to continue to work with all of my ability," he said, adding, "I want to avoid disturbing the people or upsetting the reform process." After Nakasone altered ruling Liberal-Democratic Party rules to extend his stay in office beyond two terms (four years in total), speculation concerning his future plans has run rampant.

MIYAZAWA COMMENTS ON BUDGET, EXCHANGE RATE

OW301141 Tokyo KYODO in English 1039 GMT 30 Dec 86

[Text] Tokyo, Dec. 30 KYODO -- Finance Minister Kiichi Miyazawa Tuesday implied that the current value of the dollar against the yen -- about 159 yen -- is too weak for the dollar. Emerging from a special cabinet meeting at which the government's fiscal 1987 budget was approved, Miyazawa told a press conference that he had suggested that the dollar should be much higher against the yen to U.S. Treasury Secretary James Baker when they talked in late October before they announced a joint statement on currency stability.

The dollar closed at 159.90 yen on October 30, but since the joint announcement was made on October 3, the dollar had moved in the narrow range of 161-164 yen.

Miyazawa's statement came when he was asked to comment on a recent surge of the yen against the dollar. The U.S. unit finished Tokyo trading at a two-month closing low of 159.20 yen Tuesday. He also said the U.S. trade deficit with Japan is most likely to start decreasing in half a year or a little later due to the yen's upswing against the dollar since last last year. Commenting on the likely effect of the 54.1 trillion yen budget, Miyazawa hinted that a plan to expand domestic demand embodied in the budget would not be sufficient to prop up the economy. "Next fiscal year will be a very difficult year and the economic condition will have to be watched carefully," he said. He added that the government has made an all-out effort to come up with a plan to boost domestic demand despite the constraints of fiscal reconstruction. Miyazawa says he "more or less" agrees with criticism from some quarters that the government cannot take drastic measures to expand the domestic economy while maintaining tight fiscal controls.

On projected defense spending, which was allowed for the first time to breach the decade-old government policy of holding military spending below 1 percent of the nation's gross national product (GNP), Miyazawa said he considers it important to come up with a new limit.

On a government policy to terminate budgetary dependency on deficit-covering bonds by fiscal 1990, which will be almost impossible under the new budget, Miyazawa said he thinks it difficult to achieve the goal but that the government should adhere to the target until it works out a substitute. "Without a target, it will be more difficult for the government to carry out its policy of fiscal reconstruction," he said.

KIM IL-SONG POLICY SPEECH TO SPA SESSION

SK310210 Pyongyang Domestic Service in Korean 0105 GMT 30 Dec 86

[Policy speech entitled "For the Complete Victory of Socialism" delivered by Kim Il-song, general secretary of the WPK Central Committee and DPRK president, at the second and last day of the First Session of the Eighth SPA held in Pyongyang on the morning of 30 December -- live]

[Text] Comrade deputies:

Today, our revolution is advancing powerfully down the road of socialist and communist construction under the banner of the Republic. Along with the victorious advance of our revolution, the people's support for and trust in the power of the Republic are increasing daily and the might of our Republic is being further enhanced. [applause]

Thanks to the high political self-awakening and revolutionary zeal of the people, including the working class, the elections of the deputies to the Eighth SPA of the DPRK were successfully held and the government has been organized anew. As a result, our people's government has been strengthened even further, the political and ideological unity of our people has become firmly united around the party, and the government of the Republic has been consolidated as firm as a rock. [applause]

The newly organized government of the Republic will carry out all work in conformity with the high confidence and expectations of the popular masses and will continue to fight vigorously for the happiness of our people, the prosperity and development of the fatherland, and the victory of the socialist and communist cause. [applause]

The power of our Republic is genuine people's power, which represents the struggle to defend the freedom and rights of the popular masses and consummate the chuche revolutionary cause, and a chuche-oriented revolutionary power. The immediate fighting task assigned to the government of the Republic at present in carrying out the chuche revolutionary cause is to achieve the complete victory of socialism in the northern half of the Republic and to realize the independent and peaceful reunification of the fatherland. The government of the Republic should brilliantly perform the honorable revolutionary tasks assigned to it by more powerfully accelerating the revolutionary struggle and construction work while upholding the chuche idea. [applause]

Comrades:

The cause of socialist and communist construction is a sacred cause designed to completely realize the independence of the popular masses. Realizing complete independence is the centuries-long desire of the popular masses and their supreme ideal. To materialize their long-cherished desire and ideal, the popular masses should reform the exploiting system of the old society in a revolutionary manner, advance along the road of socialism, and consummate the cause of socialist and communist construction to the end.

The road to socialism and communism is a historic path which should pass through many stages of development in the revolution. It takes a long time for the working class to proceed until it builds a communist society after taking power and embarking upon the road of socialism. It should carry out the multi-stage revolutionary tasks that primarily arise along this course.

From the initial period of the anti-Japanese revolutionary struggle, the Korean communists put forth early the fighting program to accomplish the cause of national liberation and build a socialist and communist society in the liberated fatherland and waged a steady struggle to realize it. [applause]

After liberating the fatherland, we eradicated the colonial ruling organs of the Japanese imperialists without delay, established the people's government, and based on this, thoroughly carried out the anti-imperialist and antifeudalistic democratic revolution, thereby establishing the people's democratic system in the northern half.

Based on socialist reforms achieved through the anti-imperialist and antifeudalistic democratic revolution, our party has strengthened and developed the people's government into a socialist regime which carries out a (?plan) for proletarian dictatorship in conformity with the demands of the developing revolution. This has served as a historic turning point in the march toward socialism in our country. Since that time, our people have embarked upon the road of carrying out the duties in the transitional period from capitalism to socialism. [applause]

The cause of socialist construction, which begins with the establishment of a socialist regime, attains victory and is consummated during the period of transition from capitalism to socialism. The period of transition from capitalism to socialism is a period during which an acute class struggle between capitalism and socialism proceeds, and a period for historic reform during which the construction of a socialist society is completed by remaking man, society, and nature in conformity with the aspirations and demands of the working class. The historic duties of the transitional period are to completely win victory over capitalism in all sectors of social life, to remove all class antagonisms and difference, and to realize a society without any class. With power the popular masses should certainly carry out the historic duties of the transitional period to complete the shift to socialism. The primary task to be carried out during the period of transition from capitalism to socialism is to eradicate the exploiting system and establish a socialist system by remodeling time-worn production relations in a socialist manner.

Proceeding from our country's concrete reality in which the revolution of democracy won victory, our party and the people's government set forth the original line of socialist revolution and brilliantly implemented it, thus establishing an advanced socialist system in the northern half of the Republic. Victory in the socialist revolution and the establishment of the socialist system were great historic events which brought about a drastic change in the social status and role of our people. [applause]

Our party and the government of the Republic advanced to attain the complete victory of socialism after successfully carrying out the socialist revolution as a strategic goal of the transitional period and have vigorously pushed ahead with socialist construction. Attaining the complete victory of socialism is an inevitable demand of socialist and communist construction and a historic task that should be carried out during the period of transition from capitalism to socialism.

The establishment of a socialist system becomes a historic turn over the course of social development during which capitalism is shifted to socialism, but does not mean the complete victory of socialism. Neither does the establishment of a socialist system indicate the completion of shifting to socialism. Even after a social system has been established, much ideological, technological, and cultural backwardness remains. Because of this, gaps between the urban and rural areas, class differences between the working class and the peasantry, and other various kinds of differences remain; the material and technological foundations of this social system are weaker than an advanced social system; and the material and cultural life of workers does not reach a proper level.

After the socialist system is established, the exploiting class of society does not exist, but corrosion by old ideas and ideological and cultural infiltration by hostile outside forces that oppose the socialist system and their subversive and sabotage activities continue. Such a society in which a social system has been established, but socialist construction has not been completed, and in which the exploiting system has been eradicated, but the danger of the reconstruction of capitalism remains, cannot be called a socialist society that has attained complete victory.

A society that has won complete victory is a perfected socialist society in which the entire society has been working class-oriented and all people enjoy an independent and creative life as the equal masters of state and society. [applause]

A socialist society which has attained a complete victory is a society where there is no class, and a developed society in which the perfect social and political equality of all social members and an affluent material and cultural life are guaranteed. In terms of social development, a socialist society that has attained complete victory is a society in which the period of transition form capitalism to socialism has come to an end and the [word indistinct] stage of communism has been completely realized, and a society that gradually shifts to the high stage of communism. [applause]

The complete victory of socialism is another epochal event in the struggle to realize the independence of the popular masses and an important landmark on the path of socialist and communist construction. [applause]

Of course, the complete victory of socialism does not mean instantly shifting to the higher stage of communism. When socialism wins complete victory, class differences disappear, but the gaps between mental and physical labor and to a certain degree, the gaps between the levels of material life still remain, and the productivity of society does not reach a high level in which distribution according to demand is realized. To completely overcome the transitional nature of socialist society and shift to the higher stage of communism, we cannot but pass through the historic stage of perfecting communist construction by consolidating and developing a socialist society that has attained complete victory. Achieving the complete victory of socialism by passing through the transition period from capitalism to socialism, and shifting to the higher stage of communism through a completely socialist society are the inevitable path of socialist and communist construction. [applause]

Attaining the complete victory of socialism is rising as the realistic demand of socialist construction in our country. It has been almost 30 years since our people won victory in the socialist revolution and embarked upon the road of comprehensively carrying out the task of winning the complete victory of socialism. Over this period, our people have achieved great advances in the struggle for the complete victory of socialism. [applause]

Thanks to the correct lines in the socialist construction of our party and the government of the Republic and their correct leadership, the task of socialism industrialization has been brilliantly performed over a short period of historical time and a solid basis for the self-reliant national economy has been laid. The material and technological foundations of the self-reliant socialist national economy which was built, have been enhanced over the course of our implementing various plans to develop the national economy and the structures of its fields have been further completed.

In recent years, our people have successfully carried out the Second 7-Year Plan. As a result of the implementation of the Second 7-Year Plan, all sectors of the national economy have been equipped with modern technology and the economic might of the country has been strengthened even further. [applause]

We have also attained great success in the work to remodel man by powerfully carrying out the ideological and cultural revolutions. The legacies of the backward old ideas and culture handed down to our society from history are an extremely partial element. Everyone is being excellently prepared to be a communist-type person who possesses the advanced ideas of the working class and a high level of technology and culture and who is developed in overall aspects. These qualities of men, the masters of society, show the high level of our society's development and indicate that basic conditions for the complete victory of socialism are being created. [applause]

Our country's socialist system has been further consolidated and developed bases on the brilliant successes attained in socialist economic construction and the work of remolding man. Today's socialist system in our country is the most superior social system and guarantees the entire population genuine political freedom, democratic rights, and a happy material and cultural life.

All the people in the country are firmly united around our party and the government of the Republic, being of one mind and will. The society is filled with a collectivist spirit of life of mutual help.

Lying in the fact that all the people in the country, who form the strong chuche of the revolution in which our party and the popular masses are firmly united, have boundless confidence in the party and the government of the Republic is a strong guarantee for the solidarity of the socialist system in our country and a decisive factor in the victory of the socialist and communist cause of our country. [applause]

All these successes attained during the struggle to remold man, society, and nature show that we are fast approaching the turning point of the complete victory of socialism. [applause]

Indeed, the Korean revolution, which was pioneered by our communists, has advanced further. However, we have still more to do in the fields of remodeling man, remodeling society, and remaking nature to achieve the complete success of socialism.

We should accelerate further the struggle to achieve the complete victory of socialism according to the long-standing demands of the developing revolution and our people's class aspirations. [applause]

Comrades:

The key to achieving the complete victory of socialism is to remodel man and social relations on the pattern of the working class so as to eliminate class differences and to realize a classless society.

Socialism by definition means a society of the working class. A socialist society that has been perfected and fully shaped is one in which every sector is governed by the working class, that is to say, a classless society in which all the people are governed by the working class and all social relations have been remodeled on the pattern of the working class. [applause]

Rooting out class confrontation and class differences and eliminating the class itself is a fundamental approach toward realizing the independence of the people. Born together with the class were relations of domination and subjugation among the people and, therefore, the struggle for the cause of independence is also a struggle for class liberation.

However, never has any class over the past historic period been able to (?use) the slogan of eliminating classes. Only the working class has advanced down the road of building the classless society under the slogan of eliminating the classes from the day it appeared on the historical stage.

The elimination of classes and the realization of a classless society are the historic tasks the working class has set for itself, as well as the major goals of socialist and communist construction. [applause]

The socialist revolution represents a major turning point in the struggle of the working class designed to eliminate the classes. As the exploiting class is liquidated by the socialist revolution, the sources of social complaints and class confrontation will disappear and only the working class and cooperative farmers will remain in the socialist society as classes.

This being the case, the issue of eliminating classes in a socialist society becomes an issue of eliminating class differences between the working class and the peasants by solving issues that concern the rural community. Only when this issue is solved will the historic task of eliminating the classes finally be completed and a classless society realized.

Since there is a class difference between the working class and peasantry in a socialist society, many differences in social life and nonworking class-type social relations partially remain. Therefore, removing class differences between the working class and the peasantry is emerging as the central task in remodeling socialist society in the period after the socialist system has been established. To remove class differences between the working class and the peasantry, there must be monolithic domination over the means of production by all-people ownership by turning cooperative ownership into all-people ownership. [applause]

Ownership of the means of production is a basic factor that regulates the classes. Two classes -- the working class and the peasantry -- exist in a socialist society because the two forms of socialist ownership -- all-people ownership and cooperative ownership -- exist. Only when monolithic domination over the means of production by all-people ownership is firmly established by turning cooperative ownership into all-people ownership can the working class orientation of the peasantry be realized, and, thus, class differences between the working class and the peasantry be removed.

Turning cooperative ownership into all-people ownership is the inevitable demand in the development of a socialist society. Socialism is based on collectivism. Both cooperative ownership and all-people ownership are socialist ownership which constitutes the economic basis of our society. Collectivism demands that all social relations, including relations of ownership, be constantly developed in conformity with the common interests and demands of the entire society. Cooperative ownership, a low form of socialist ownership, should be developed as the level of society is elevated and, finally, should be turned into all-people ownership, a high form of socialist ownership.

Ownership resulting from all workers included in the single economic system everybody working and turning cooperative ownership into all-people ownership, the communist principle -- one for all and all for one -- can be smoothly embodied. [applause]

We should consolidate and develop cooperative ownership in conformity with the inevitable demands of development of socialist society and turn it into all-people ownership. The existence of cooperative ownership along with all-people ownership in a socialist society is connected with the fact that the level of the ideological consciousness, technology, and culture of the peasantry is lower than that of the working class and the material and technological foundation of agriculture is weaker than that of industry. Therefore, a basic way to turn cooperative ownership into all-people ownership lies in removing ideological, technological, and cultural backwardness in the rural areas. Our party's thesis on questions concerning socialist rural villages should be thoroughly implemented to remove ideological, technological, and cultural backwardness in the rural areas and to turn cooperative ownership into all-people ownership. [applause]

The thesis on questions concerning socialist rural villages is our party's fighting program for ultimately solving rural problems and attaining the complete victory of socialism by consolidating and developing cooperative ownership and by turning it into all-people ownership. [applause]

We should, above all, rapidly elevate the level of the ideological consciousness, technology, and culture of the peasantry by actively accelerating the ideological and cultural revolutions according to the principles of the thesis on questions concerning socialist rural villages.

The ideological consciousness of workers very importantly affects the development of ownership relations. We should strengthen ideological indoctrination work and organizational life among the peasants and constantly discipline them through joint labor and collective life, thus helping them to treasure the interests of society and the state more than their individual interests and helping them to sincerely work for society, the collectives, the fatherland, and the people with high-level awakened consciousness of the fact that they are the masters of the revolution and construction.

The rural economy, which is being developed in a modern way, demands that the level of the peasants' technology and culture be raised decisively.

We should train the growing new generation as credible and able workers for the construction of the socialist rural community according to the demands of the developing present era, while at the same time making all the peasants skillfully handle modern farm machinery and arm themselves with profound knowledge and technology to enable them to do farming scientifically and technically by strengthening the education of adults and the work of popularizing scientific and technical knowledge.

We should also industrialize agriculture by vigorously accelerating the technical revolution in the countryside. Industrializing agriculture means turning agricultural production into a modern technical process by realizing the introduction of irrigation, electrification, (?industrialization), and (?chemicalization) into the rural community.

When agriculture is industrialized, agricultural production can be rapidly increased by developing the rural economy into a large-scale economy based on (modern machinery and technology), the difference between agricultural labor and industrial labor can be eliminated, and the peasants can be liberated from hard labor.

Under circumstances in which the introduction of irrigation and electrification into the rural economy has already been realized, we should produce a large quantity of modern farming equipment of various types, such as tractors and harvesters, to send it to the rural community based on a program, while consolidating the successes attained over the course of introducing irrigation and electrification to the rural community.

We should also produce still greater amounts of high quality chemical fertilizer and insecticides of various types suitable for the soil conditions and characteristics of the crops, to send them to the rural community and should put agricultural production on a high scientific foundation by actively introducing advanced farming technology, farming methods, and modern agricultural science.

To transform cooperative property into all-people property, we should combine the two organically by continuing to enhance the leading role of the latter in relation to the former. What is important in their organic combination is to strengthen the direct production ties between the two. The direct production ties between cooperative property and all-people property is to be realized by the state (?enterprises) that directly serve the rural economy.

We should see to it that the role of the material and technical means of all-people property in (?agricultural production) is raised without interruption by further strengthening [word indistinct] and state enterprises that serve the rural economy, including farming equipment workshops and irrigation stations, in terms of material and technology. [applause]

Another important problem in transforming cooperative property into all-people property is to constantly improve the direction and management of cooperative agriculture. Economic relations are closely connected to property relations and these relations have great influence over the change and development of property relations. Without improving the leadership and management over the agricultural cooperative economy, it is impossible to promote the transformation of cooperative property into all-people property.

Today's reality, in which the level of technology and equipment of the agricultural cooperative economy has been raised and agricultural production is being daily modernized, requires that technical guidance over agricultural production be further strengthened and that all management activities be thoroughly subjected to planning and be organized. We should further strengthen agricultural leadership bodies and enhance their functions and roles so as to give full play to the superiority of the chuche-oriented system of agricultural guidance, thereby decisively improving the industrial method of guiding cooperative agriculture. [applause]

In particular, we should see to it that technical guidance for agricultural production be carried out well so as to make it function according to the demands of the chuche oriented farming methods and that the material and technical assistance from the state to the cooperative economy be realized smoothly by raising the role of the county committees running cooperative farms that guide the cooperative farms on the spot.

When cooperative property is transformed into all-people property as a result of a thorough implementation of our party's thesis on issues concerning the socialist rural community in our country, the difference between the working class and peasants will disappear and, based on this, all social relations will be remolded to completely serve the working class. [applause]

Comrades, pressing ahead with socialist economic construction is an important task in achieving the complete victory of socialism. Socialist economic construction is the rewarding struggle to provide the popular masses with independent and creative living conditions by conquering nature, as well as a sacred struggle to strengthen the socialist material and technical foundation and to occupy the communist material fortress. [applause]

Only when economic construction is carried out well can socialist and communist construction be completed and the independence of the popular masses be perfectly realized. The socialist system established through the socialist revolution can be constantly consolidated and developed and its superiority and might can be fully displayed only on the basis of material and technological foundations that correspond to the system. Only when the material and technological foundations of socialism are firmly built by carrying out economic construction well and the workers who have been liberated from exploitation and oppression enjoy independent political life and affluent material and cultural life to their hearts' content can the socialist system become genuinely mighty and consolidated and the complete victory of socialism be achieved. [applause]

Such a country as ours which had not experienced the industrial revolution, but waged the socialist revolution in a state of economic backwardness in the past, should concentrate particularly great efforts on economic construction after the socialist system is established. Vigorously pushing ahead with socialist economic construction is an important function of a socialist state. A socialist state's function of being an economic organizer comes to the fore as a more important question as socialist and communist construction advances further. Whether or not the complete victory of socialism is achieved early in conformity with the demands of our developing revolution and the aspirations of our people largely depends on how we carry out economic construction. We should secure solid material and technological foundations, which complete a socialist society, by accelerating socialist economic construction. [applause]

A goal which we should attain in the field of economic construction to achieve the complete victory of socialism is to build a chuche-oriented economy, all fields of which are modernized to a high degree and the structures of the fields of which are perfected.

We should liberate the workers from hand and arduous labor and smoothly solve, at a high level, problems concerning the people's food, clothing, and housing by industrializing agriculture and by even further elevating the level of overall technical provisions for the national economy. [applause]

To attain these goals for socialist economic construction, the government of the Republic should continue to firmly adhere to the lines of construction of the self-reliant socialist national economy and more powerfully accelerate the chuche-orientation, modernization, and science-orientation of the people's economy. [applause]

A major task that arises in socialist economic construction at present is to successfully carry out the Third 7-Year Plan. We are to execute the Third 7-Year Plan, beginning next year. A basic task of the Third 7-Year Plan is to firmly lay material and technological foundations for the complete victory of socialism by continuously vigorously accelerating the chuche-orientation, modernization, and science-orientation of the national economy. [applause]

During the period of the Third 7-Year Plan, we should even further strengthen the self-reliance of the national economy, firmly equip all fields of the national economy, including industry and the rural economy, with modern technology, and promote production at a high rate of speed. During the period of the new plan, we should realize the 10 major prospective goals for socialist economic construction set forth at the sixth party congress and increase the total industrial output 1.9 times and agricultural production over 1.4 times at least. [applause]

All guiding functionaries and workers should effect new upsurges in socialist economic construction by turning out as one in the struggle to fulfill the Third 7-Year Plan. [applause]

The most important question in carrying out the Third 7-Year Plan is to powerfully accelerate the work of remodeling the technology of the national economy by developing science and technology and by strengthening the campaign for technical innovations. Today, science and technology are developing at a very high speed and are decisively affecting economic development. There is no limit to the development of science and technology, the outcome of man's creative wisdom. Also, science and technology provide endless possibilities for man to conquer nature and dominate the world. Achieving a high growth rate in production on the basis of highly developed science and technology is the tenor of the development of the world's economy at present. The reality of our country's socialist economic construction more urgently demands that science and technology be developed more rapidly. Without rapid scientific and technological development and bold and active technical innovation, the grand tasks of the new prospective plan cannot be carried out, nor can the economy of our country be elevated onto a new high stage. By concentrating great efforts on developing science and technology, we should smoothly solve many scientific and technological problems arising in socialist construction and elevate the level of our country's science and technology onto that of the world. [applause]

We should correctly map out a plan for scientific and technological development in conformity with the prospective plan for our country's socialist construction, realistic demands, and the trends of the world's scientific and technological development, and actively organize and mobilize the creativity of scientists, engineers, and a broad range of workers in realizing the plan.

We should establish a correct viewpoint on science and technology among the guiding functionaries, decisively improve the guidance of the party and government over scientific work and the campaign for technical innovations, and decisively better supply work. An important goal for scientific and technological development in our country at present is to realize the overall technical innovation of the national economy. (?Low-level) and backward equipment in all fields of the national economy should be remodeled in a modern manner, and production processes should be mechanized, automated, and made robot-oriented and computer-oriented. During the period of the new prospective plan, we should concentrate great efforts on developing the machine industry, microelectronic industry, and robot industry to firmly solidify production foundations in this field in a short period of time, and smoothly guarantee the production of many kinds of modern elements and devices needed for the technological reformation of the national economy.

We should decisively increase production capabilities in the field of key industries to successfully carry out the Third 7-Year Plan. The Third 7-Year plan is a grand program that envisaged a high rate of growth in production. Important targets in the field of key industries, including the industries of electricity, coal, steel, and nonferrous metal -- goals envisaged in the new prospective plan -- are high targets that can be reached only when production capabilities are increased even further than now. Only when these goals are attained can the sectors of the national economy successfully fulfill the prospective plan. During the period of the new prospective plan, the field of key industries should remodel equipment in the existing plants and enterprises with more efficient and precise modern equipment, maximize production capabilities, and build many new modern plants and enterprises.

Epochally improving the people's standard of living is one of the most important asks which we should carry out during the period of the Third 7-Year Plan. During the period of the new prospective plan, we should elevate the people's overall standard of living a step higher by smoothly solving the problem concerning the people's food, clothing, and housing. [applause]

The construction of a series of important establishments -- including the reclamation of nearly 300,000 chongbo of tideland, the construction of the Sunchon vinalon complex with a 100,000-ton production capacity, and the large-scale Sariwon potash fertilizer plant -- is vigorously underway in accordance with our party's far-sighted plan. The construction of important establishments, which in ongoing under the party's conception and initiative, is a bold blueprint designed to enhance the economic might of the country and particularly to smoothly solve problems concerning the people's food, housing, and clothing, and is a very important and rewarding work for the happy future of our people. [applause]

We should concentrate all efforts on completing the construction of important establishments at an earlier date. The soldiers of the People's Army and construction workers who are assigned the construction of important establishments should unreservedly give play to high devotion and creativity in the rewarding struggle for the prosperity of the country and the happy life of the people. [applause]

Many fields of the national economy should preferentially and timely supply equipment and materials demanded in construction, and the entire party, the whole country, and all people should dynamically support the construction of important establishments. [applause]

Economic guidance and enterprise management should be decisively improved to successfully carry out the Third 7-Year Plan. We should firmly defend and safeguard the original chuche-oriented socialist economic managment system created by our party in economic guidance and enterprise management and thoroughly implement it, thus fully manifesting its vitality in socialist construction. [applause]

The fields of the national economy should thoroughly implement the Taean work system. All plants and enterprises should powerfully arouse the revolutionary zeal and creativity of the producing masses in the struggle to carry out the prospective plan by planning and coordinating economic organizational work under the collective guidance of party committees and by giving priority to political work as demanded by the Taean work system. [applause]

Economic guidance and enterprise management should be science-oriented and rationalized in conformity with the realistic demands of socialist construction. The socialist economy constantly develops, and the new reality of economic development demands that economic guidance and enterprise management be improved in compliance with the demands of this reality. All fields of the national economy should conduct management activities in a scientific manner on the basis of correct plans, calculations, and statistics and rationalize enterprise management by correctly using many economic means in conformity with the transitional nature of socialist society. All guiding functionaries and workers should brilliantly carry out the Third 7-Year Plan by devotedly struggling with endless loyalty to the party and revolution with high revolutionary passion, thus displaying the might and honor of chuche Korea once again. [applause]

Comrades, the people's power should be enhanced and its function and role should be increased to achieve the complete victory of socialism. The people's power is the genuine defender of our people's independent rights and a strong weapon for socialist and communist construction. [applause]

Only under people's power can the popular working masses fully promote genuine freedom and rights as the masters of the state and society, enjoy an affluent and happy life to their heart's content, and successfully push ahead with the struggle for the complete victory of socialism. The struggle for the complete victory of socialism is a difficult and complicated struggle to remodel and reform man, society, and nature, and is being waged amid a constant class struggle.

Only when the function and role of the people's power are increased by strengthening it can a broad range of the masses be firmly united with one political force, their creativity be powerfully organized and mobilized in the struggle for the complete victory of socialism, and the socialist system be firmly defended. We should enhance the function and role of people's power in an all-round manner in the struggle for the complete victory of socialism by further improving and strengthening the work of the people's power organs. [applause]

The government of the Republic should thoroughly implement our party's lines of the three revolutions, constantly upholding the banner of the three revolutions -- ideological, technological, and cultural. [applause]

The struggle for complete victory of socialism is a course of serious and grand social reforms, in which the legacies of the old society remaining in socialist society are removed and the whole society is made uniform with the ideas, technology, and culture of the working class. It is successfully carried out only through ideological, technological, and cultural revolutions.

The three revolutions -- ideological, technological, and cultural -- are the highest-level revolutions to completely realize the independence of the popular masses by perfecting socialist and communist construction. Only when the ideological, technological, and cultural revolutions are thoroughly implemented by increasing the function and role of people's power can the cause of the independence of the popular masses and the cause of socialist and communist construction be consummated. The banner of people's power and the three revolutions are precisely a banner of independence and a banner of socialism and communism. [applause]

Under the party's leadership, the people's power organs should vigorously carry out the ideological, technological, and cultural revolutions while firmly adhering to the line of the three revolutions. As bodies executing the party's lines of the three revolutions, the people's power organs should make all their activities directed at successfully performing the three revolutions -- ideological, technological, and cultural -- and carry out well the work of organizing production and the work of (?guaranteeing materials and technology) in conformity with the mounting enthusiasm of the workers who have turned out to realize the three revolutions.

The government of the Republic and the power organs at all levels should thoroughly implement the class line and the mass line in their activities. People's power is, in essence, a revolutionary regime of the working class. Only when the class line is implemented in the activities of the people's power organs can the working class-oriented nature of the people's power be defended and the people's power smoothly perform its honorable mission as a revolutionary regime of the working class. [applause]

The leadership role of the working class should be constantly enhanced in all fields of state activities, the working class-oriented principle firmly maintained, and all policies enforced in compliance with the class interests of the working class. Everything concerning state and social life should meet the aspirations and demands of the working class, and the ethos of a healthy working class-oriented life should dominate the whole society.

The people's power should guard against the infiltration of the ideological poison of capitalism and revisionism into our society and resolutely struggle against all maneuvers to encroach upon the socialist system. [applause]

A socialist and communist society is one for the sake of all people, and can be built only in reliance upon the creative role of a wide range of the popular masses. The interests of the popular masses should be actively defended and their creativity should be organized and mobilized to the maximum to successfully build a socialist and communist society. To this end, the revolutionary mass line should be implemented in the activities of people's power. [applause]

Defending the interests of the people and faithfully serving the people are a basic demand of the mass line. Our functionaries should not become bureaucrats who yell at and rule over the people, but the people's genuinely faithful servants who serve them, and sincere functionaries who demonstrate action. The functionaries of the people's organs should organize and carry out all work on the principle of giving top priority to the interests of the people and of thoroughly defending them and thoroughly guarantee the rights and interests of the people, stipulated in the law, in all fields of social life. The functionaries should always pay deep attention to the people's life, timely meet their demands and settle their difficulties, and make active efforts to provide conditions for the happier life of the people. [applause]

The people's government should establish a revolutionary system and order in the state and social life and run the state economy by uniformly grasping it. Establishing a revolutionary system and order in all fields of the state and social life and acting in discipline and order by all members of society is an inherent demand of socialist society, an organized society. In the absence of a revolutionary system and order in socialist society, it is impossible for men to realize their organized, joint acts in a smooth way, and there could arise disorderly and negative phenomenon in society.

In order to establish a revolutionary system and order in our society, it is imperative to strengthen socialist law-abiding life. Laws in a socialist society are codes of conduct that all members of society should dutifully observe as well as a basic instrument for the people's government to realize its own (?politics).

The people's government should thoroughly establish a revolutionary law-abiding spirit in society and should see to it that all the working people sincerely observe the laws of the Republic by strengthening the socialist law-abiding spirit. [applause]

It is very important to strengthen state and administrative discipline when it comes to establishing a revolutionary system and order in the society. The people's organs or power should establish an orderly work system of uniformly grasping and guiding the state and social life as a whole and stringent discipline in all sectors and units of unconditionally accepting decisions and instructions of the party and state and then of implementing them thoroughly.

It should also be seen to that all functionaries and working people act according to disciplinary codes and order and the organizational and disciplinary nature of society be further strengthened in accordance with the development of the revolution and construction onto a high stage by further making the state and social life more organized. [applause]

Uniformly grasping and running all the state economy is a major duty of the people's government. Only when the people's government uniformly runs the state can it reasonably mobilize and utilize all resources and potentials and push ahead with the work designed to improve economic construction and the people's standard of living on a program. The people's government should grasp uniformly all labor resources and natural resources and reasonably organize production, distribution, accumulation, and consumption. The people's organs of power at all levels should uniformly grasp economic construction, cultural construction, and the work of serving the people within the boundary of their enterprises and units concerned and organize and guide them well according to the state demands and in the interests of the people.

Our party and people have expressed their deep confidence in the people's organs of power and functionaries and have assigned heavy responsibilities to them. Functionaries in the people's organs of power should responsibly do their work in the manner of a master in order to pay back the high trust of the party and people in them.

All functionaries should fulfill their honorable mission as the commanding members of the revolution as well as faithful public servants by responsibly discharging revolutionary tasks assigned to them with high loyalty to the party and revolution and a practical spirit of serving the people. [applause]

Comrades: Achieving the independent and peaceful reunification of the country is the most urgent national task facing the government of the Republic. [applause]

The question of our country's reunification is an important question concerning the fate of the Korean people. Without reunifying the fatherland, all the fellow countrymen will not be able to extricate themselves from the sufferings and disaster caused by national division, nor is it possible to achieve the uniform development of the country and national prosperity. Reunification of the fatherland is the unanimous aspiration of our people, who have lived as an ethnic people for a long time. [applause]

The situation prevailing on the Korean peninsula, where the danger of a new war and perpetual national division are growing by the day, requires that the question of national reunification be solved at an early date more urgently than at any previous time.

We should do our best to expedite the realization of national reunification ahead in accordance with the national demand and the situation on the Korean peninsula. [applause]

In solving the question of national reunification, the government of our Republic firmly adheres to the three principles of independence, peaceful reunification, and great national unity. The three principles of independence, peaceful reunification, and great national unity are the fundamental principles for national reunification, which the government of our Republic has consistently maintained, as well as the common national principle of reunification representing the will of the entire Korean people. [applause]

Only when it is based on the three principles of national reunification can reunification of the country be achieved on the principle of independence and democracy without interference from outside forces, and by peaceful means.

The most pressing problems arising in realizing the independent and peaceful reunification of the country at present is to ease tension created on the Korean peninsula, to guarantee lasting peace there, and to create conditions favorable to peaceful reunification. The government of the Republic has made every possible effort to create the prerequisites for relaxation of the prevailing tension and for the independent and peaceful reunification of the country.

At the beginning of 1980 we already put forward a proposal for holding tripartite talks in which we, the United States, and South Korea would participate as a fundamental measure to guarantee peace on the Korean peninsula, for replacing the Korean armistice agreement with a peace agreement through the talks, and then adopting a declaration of nonaggression between the North and South. In rapid succession, we have provided contacts and dialogue of a wide magnitude between the North and South after putting forward initiatives for North-South dialogues of various forms.

In 1986 alone we took the initiative in taking measures not to conduct military exercises in order to ease tension, and then put forward new proposals for holding talks between those who hold real military authority and for turning the Korean peninsula into a nuclear-free, peace zone. However, the United States and the South Korean authorities, ignoring our peaceful efforts, have followed the course of further exacerbating tension, while continuously pursuing the lines of confrontation and war.

Unprecedentedly large-scale anticommunist commotions aganist the Republic are being kicked off in South Korea, and because of this the political confrontation between North and South has become extremely acute. Not content with slandering us, the persons in authority in South Korea are now engaged in a commotion of fomenting among the South Korean people distrust and hostility toward us by even fabricating illogical falsities about us. The persons in authority in South Korea are harshly suppressing the South Korean youths, students, and people, who are engaged in the anti-U.S. struggle for independence, by linking them to us.

The anti-U.S. struggle of the South Korean youths, students, and people is a righteous patriotic struggle to firmly establish national sovereignty in South Korea and realize the independent and peaceful reunification of the country. Linking the struggle of the South Korean youths, students, and people to us is a far-fetched absurdity that can convince no one, and suppressing them by branding them as procommunist elements is an antipopular and antinational maneuver perpetrated under the slogan of anticommunism.

Anticommunism is an ideological weapon of the imperialists to invade other countries and divide and rule them. When one is infected with anticommunism, one loses (?independence), and cannot discern patriotism from treachery and defend national independence and interests. Anticommunism is the ideology of confrontation and division, which opposes national unity and cohesion and rejects peace, and the ideology of war. It is not accidental that today the anticommunist-oriented state policy is being taken issue with, and voices asserting a reunification-oriented state policy are echoing even in the South Korean National Assembly.

Today, the state of military tension is being further aggravated on the Korean peninsula. The United States has recently rapidly augmented its armed forces in South Korea, particularly emphasizing the military and strategic position of South Korea, and has turned the whole land of South Korea into a nuclear base by drastically introducing nuclear weapons into South Korea. Lance missiles and many other kinds of nuclear delivery means are being successively dragged in, and large-scale nuclear storehouses are being built anew in South Korea, where some 1,000 nuclear weapons have already been deployed. Furthermore, what we cannot but pay attention to is that, along with the United States, the South Korean persons in authority constantly place the frontal and rear areas under the state of mobilization, waging the provocative "Team Spirit" joint military exercises to perfect nuclear war preparations on a large scale every year and inciting war. This ominous situation, which can be observed only on the eve of war, shows that they can provoke a war at any moment. This cannot but arouse our due alertness.

The more they intensify war preparation maneuvers, the more loudly the South Korean persons in authority rave about the threat of southward invasion. They have recently spread groundless rumors, saying that we have worked out a plan for southward invasion prior to the 1988 Olympic Games, and that our construction of the Kungansan power plant is aimed at flooding operations. Not once or twice have we declared our intention of not invading the South. This stance which the government of the Republic has officially expressed is clearly guaranteed by our numerous peace proposals, and its truth has been confirmed by historical facts over the past decades. [applause]

The construction of the Kungangsan power plant is thoroughly peaceful construction initiated by our prospective program for socialist economic construction. There are no grounds on which the South Korean people should feel threatened by this construction. There is no foolish one among us who wuld try to undertake such construction, which demands a huge amount of investment, for flooding operations. Also, there is no one who wants the South Korean people to suffer from disaster. The South Korean persons in authority should not abuse our construction of the Kungangsan power plant, but pay proper attention to the withdrawal of nuclear weapons, whose number is sufficient to annihilate the whole Korean nation, from South Korea. We do not want the nation, from South Korea. We do not want the annihilation of our nation, nor can we tolerate the turning of the fatherland into a site for a nuclear war by the United States.

Proceeding from this stand, we obviously make clear once again that we have no intention of invading the South and strongly demand that the Korean peninsula be turned into a nuclear-free, peace zone without nuclear weapons and the danger of war at an early date. [applause]

The situation of acute confrontation prevailing on the Korean peninsula at present is arousing great apprehension among the Korean people, aspiring for national reunification, and the world's people, seeking peace. Should today' situation of acute confrontation continue as it is, distrust between the North and South will be greater; confrontation will be aggravated with each passing day; and, in the end, a situation of the outbreak of another war will take place. If a war breaks out in Korea, it will expand into a worldwide thermonuclear war and inflict irrevocable calamities on our nation and mankind.

Today, when the fate of all fellow countrymen is at stake in life or death, those conscientious Korean people cannot turn away from this grim reality. We should by all means open a new breakthough to find a way out of the present difficult situation and to realize peace and the independent and peaceful reunification of the country. [applause]

The key to opening a new breakthrough in the present situation on the Korean peninsula to realize the reunification of the country is to alleviate the acute state of political confrontation and military tension at an early date and to create a genuine atmosphere of trust within the nation. We acknowledge that we need to hold high-level North-South political and military talks to solve the prior and urgent problems which have arisen in realizing the reunification of the country. [applause]

The serious distrust between the North and South originates largely from the state of political and military confrontation, and it largely depends upon the efforts of those holding real political and military power on both sides to solve it and create an atmosphere of trust. The high-level North-South political and military talks will have to discuss measures to bring an end to the present political confrontation, such as suspending slander and defamation against each other and promoting national ties by realizing diversified collaboration and exchanges between the North and South, as well as such steps to alleviate the present tension as reducing armed forces, halting the arms race, converting the Military Demarcation Line and the DMZ into a peace zone, and halting large-scale military exercises. [applause]

The high-level North-South political and military talks will have to discuss measures to enhance the authority [kwonnung] of the Neutral Nations Supervisory Commission [NNSC] and the problem of organizing neutral nations' supervisory forces consisting of the military personnel fo Czechoslovakia, Poland, Switzerland, and Sweden, which are the members of the NNSC, as an organization to supervise the military actions of both sides. [applause]

Besides these problems, we are willing to discuss any proposal made by the South Korean side if it will help alleviate the political and military situation. In order to satisfactorily solve various problems to be raised by both sides in the high-level North-South political and military talks, the talks should be participated in by those holding real military power as well as by the high-level persons in authority of both sides. Our new proposal for high-level North-South political and military talks is the embodiment of the line of national unity and the reunification of the country consistently maintained by the government of the Republic, and it is further clear evidence of our efforts for peace.. [applause]

Our new proposal contains the firm determination and will of the government of the Republic to bring an end to distrust and confrontation, and to promote trust and unity between the fellow countrymen in whatever complicated environment they are placed in, to prevent war and ensure peace on the Korean peninsula, and to realize the reunification of the country peacefully. [applause]

If the South Korean persons in authority truly desire to open a breakthrough in the present stalemate between the North and South and to advance together with us along the road to peace and peaceful reunification of the country, they should positively respond to this sincere proposal made by us.

We think that the high-level North-South political and military talks will become an important turning point in promoting trust between both sides and to provide a new phase for easing tension so as to create an overall atmosphere for dialogue. [applause]

If the high-level North-South political and military talks bring forth good results, distrust which has accumulated for scores of years between the North and South will end, the spirit of national reconciliation and unity will sprout, and dialogue in many fields will be successfully pushed ahead in a good atmosphere.

If the high-level North-South political and military talks and dialogue in many fields are successfully held, highest-level North-South talks will be able to be held to discuss fundamental problems to realize the reunification of the country. [applause]

To guarantee a durable peace in our country and create the prerequisites for peaceful reunification, tripartite talks should be held among us, the United States, and South Korea. The conclusion of a peace agreement between Korea and the United States and the adoption of a declaration of nonaggression between the North and South are a process which should be completed in converting the unstable situation of our country, which is in the state of temporary armistice, into a lasting peace. These are duties which we, the United States, and the South Korean authorities cannot avoid.

If the United States really hopes for peace and reunification in Korea, it must respond to our proposal for tripartite talks and withdraw its troops, nuclear weapons, and other military equipment from South Korea.

The most reasonable way for realizing the independent and peaceful reunification of the fatherland is to found the Democratic Confederal Republic of Koryo as proposed by the Sixth WPK Congress. [applause]

If we are to prevent the North and South from being divided into two Koreas forever and to help the whole nation ward off a war holocaust, we have no alternative but to reunify the country by founding a confederal state, which will make neither side the conqueror or the conquered. In the future, therefore, we will also make patient efforts to realize this just proposal for reunification. [applause]

To settle the question concerning the reunification of the country in conformity with the will and desire of the Korean people, we must hold a conference for national dialogue which will represent the general will of people from all walks of life. We consider it reasonable to convene a joint conference of the political parties and other organizations of the North and the South for this national dialogue. We will always keep the door of this national dialogue open to all political parties and other organizations in South Korea. [applause]

Struggling for national reunification is a joint duty of the Korean people. All Korean compatriots in the North, South and abroad must accomplish the historic cause of national reunification of the fatherland at an early date by achieving great national unity and by pooling the strength of the whole nation, transcending differences in ideologies and systems. [applause]

The Korean revolution is part of the world revolution. The revolutionary struggle of our people is developing amid close links to the overall international situation. To expedite the complete victory of socialism and the accomplishment of the historic cause of national reunification, solidarity with the international revolutionary forces should be strengthened and international circumstances should be created favorable for our revolution.

The basic ideals that the government of our Republic has consistently maintained in the field of foreign relations are independence, friendship, and peace. The ideals of independence, friendship, and peace reflect the unanimous aspirations of our people and the world's progressive peoples, who are now determined to build an independent, friendly, and peaceful new world. Assuming the ideals of independence, friendship, and peace as the unwavering guidelines for its external activity, the government of the Republic will thoroughly embody them. [applause]

The government of the Republic will adhere firmly to independence in the field of foreign relations. We will map out foreign policies in conformity with the requirements of the Korean revolution and with the specific conditions of our country, carry them out, and settle all questions arising in international relations to meet the desire and requirement of our people. The government of the Republic will develop its relations with other countries on the principles of complete equality and mutual respect, and resolutely uphold the dignity and sovereignty of our nation in the international arena. [applause]

The government of the Republic will make positive efforts to develop relations of friendship and cooperation with many countries. It is the unwavering, firm policy of the government of the Republic to develop relations of friendship and cooperation with the socialist countries. The socialist countries are the strong bulwark of the world revolution. Developing relations of friendship and cooperation among the socialist countries is an important guarantee for the victory of the socialist and communist cause. The government of the Republic will strengthen friendship and solidarity with the fraternal socialist countries on the principles of Marxism-Leninism and proletarian internationalism, and work hard to develop exchanges and cooperation with them in all fields of politics, the economy, and culture. [applause]

The nonaligned movement is a mighty anti-imperialist force of our era aspiring for independence -- the driving force behind the advance of history. The government of the Republic will make every effort possible to further extend and develop state relations with the nonaligned countries and the Third World countries and to realize South-South cooperation. [applause]

The government of the Republic also will establish good-neighborly relations with capitalist countries which respect our sovereignty and are friendly toward our country, and will promote economic and cultural exchanges with them. [applause]

The DPRK is a peace-loving socialist country. Peace is the inherent demand of socialism as well as a unanimous aspiration of mankind. Even though the people now unanimously hope for peace, tense situations capable of triggering a nuclear war are being created in various parts of the world thanks to the maneuvers of the imperialists, who are bent on dominating the world with their nuclear superiority. Therefore the peace cause of mankind is now faced with a serious challenge.

Preventing nuclear war and protesting for peace is the solemn task raised by the current era. Proceeding from the noble sense of responsibility for the peace cause, the government of the Republic will resolutely struggle to check and frustrate the imperialists' maneuvers for aggression and war and to defend peace on the Korean peninsula, in Asia, and the world. [applause]

The most important thing arising in preventing nuclear war and defending peace at present is to prohibit nuclear testing, to realize nuclear arms reduction, and to completely abolish nuclear weapons.

As long as nuclear weapons remain on earth, the danger of nuclear war cannot be removed, and mankind cannot escape from nuclear danger. The government of the Republic, in cooperation with all peace-loving countries in the world, will staunchly fight to prohibit the testing, production, stockpiling, and use of nuclear weapons, to prevent the militarization of space, to reduce many kinds of nuclear weapons, and, furthermore, to abolish all nuclear weapons completely. [applause]

Creating nuclear-free, peace zones and expanding them are an important way for realizing the reduction of nuclear weapons, for preventing a nuclear war, and for defending peace. Guaranteeing peace and security on the Korean peninsula, where the danger of a nuclear war is greatest in the world, is of weighty significance in improving the situation in Asia and the Pacific and in easing the overall international situation. The government of the Republic will make all efforts to have the nuclear weapons removed from South Korea and to turn the Korean peninsula into a nuclear-free, peace zone. [applause]

The government of the Republic actively supports many kinds of peaceful proposals advanced by the socialist countries to prevent a nuclear war and defend world peace and security, and highly appraises their sincere efforts to realize them. [applause]

We actively support the struggle of the European socialist countries and the people in this region to create nuclear-free, peace zones in the Balkan peninsula and many other parts of Europe, and express our firm solidarity with the struggle of the world's peace-loving people to create nuclear-free, peace zones in Africa, the Middle East, the Indian Ocean and the South Pacific, as well as many other parts of the world. [applause]

The government of the Republic fully supports the just cause of people in Asia, Africa, and Latin America and other people in the world, who are struggling against the maneuvers of the imperialists for aggression and war and fighting for peace, democracy, national independence, and the construction of new societies. It expresses firm solidarity with the antiwar, antinuclear, and peace-defending campaign which is growing greater in vast areas of the world with each passing day. [applause]

Under the banner of independence, friendship, and peace, the DPRK Government will resolutely fight to build a new peaceful and prosperous world without imperialism and war in firm unity with the socialist countries, the nonaligned countries, and all peace-loving forces of the world. [applause]

Comrades, today our people are overflowing with firm resolve and faith to achieve the complete victory of socialism and the historic cause of national reunification at an early date by more powerfully accelerating revolution and construction. The strength of our people solidly armed with the chuche idea and firmly united around the party is ever-victorious and invincible, and the future of our people who are fighting for the just revolutionary cause with power in their hands is resplendent. [applause]

Let all of us powerfully struggle to bring about the complete victory of socialism and the independent and peaceful reunification of the fatherland in firm unity around our party and the government of the Republic, upholding the revolutionary banner of the chuche idea. [applause and cheers]

MX, MIDGETMAN MISSILE DEVELOPMENT DENOUNCED

SK240517 Pyongyang KCNA in English 0503 GMT 24 Dec 86

[Text] Pyongyang December 24 (KCNA) -- NODONG SINMUN and MINJU CHOSON today comment on U.S. President Reagan's decision to introduce mobile launching system for "MX" missiles and step up the development of single warhead missile "Midgetman".

In a signed commentary NODONG SINMUN says that the U.S. imperialists' decision to introduce the mobile launching system for "MX" missiles is aimed at mounting a surprise forestalling nuclear attack in secret on their counterpart, and their stepping up of the development of new type of single warhead missile is designed to improve the accuracy of its hit and augment the fire power of warhead to increase nuclear attack capacity.

Noting that at the same time, the U.S. imperialists are hurrying up with their "Star Wars" programme, the paper stresses:

The U.S. warmaniacs are scheming to realize their "superiority of strength", "nuclear superiority" over socialist countries by increasing strategic nuclear forces and preparing the "star wars", and make a forestalling nuclear attack on these countries so as to achieve their ambition for world supremacy.

The Reagan administration's policy of reckless nuclear arms buildup is a root cause of the danger of covering the globe with clouds of a nuclear war and gravely threatening the existence of mankind.

The U.S. imperialists take South Korea as a firstline nuclear offensive base and attempt to make a forestalling nuclear attack on socialist countries therefrom. The United States should know that its dream of "nuclear superiority" can never come true.

SOUTH KOREAN ECONOMY DESCRIBED AS IN 'CRISIS'

SK270410 Pyongyang KCNA in English 0400 GMT 27 Dec 86

[Text] Pyongyang December 16 (KCNA) -- The South Korean economy has undergone a serious crisis this year.

The South Korean economy is characterized this year by the intensified colonial subjugation and extortion.

In July last the South Korean puppet clique signed treacherous documents for opening the markets of cigarettes and insurance and protecting intellectual property, complying with the demand of the U.S. imperialists.

As the puppet clique meekly conceded the demand of U.S. imperialists, more than 130,000 farm houses of South Korea had to give up tobacco farming all at once. And South Korea suffers a loss of 4,000-5,000 million dollars a year in the insurance market and a loss of more than 1,000 million dollars a year in intellectual property protection.

The United States put economic pressure to bear upon South Korea to satisfy its greed in different fields -- opening its markets of more than 40 kinds of goods, upvaluation of the South Korean money and opening of banking and advertising.

The South Korean economy is also characterized this year by a serious imbalance in export.

Till the end of this year the puppet clique will have to suffer a deficit of 6,000 million dollars, more than double last year's in trade with Japan. And restrictions on import had been put on over 100 kinds of South Korean goods by the end of August in many capitalist countries.

In finance, the total amount of currency in circulation in May was seven times that of a monthly average growth from January to April as the budget was squandered in the suppression of people and military exercises and paper money issued at random.

The U.S. imperialists' economic pressure, stagnancy of export, runaway inflation and the economic crisis in capitalist countries -- all these were linked together to cause a financial difficulty in South Korea.

KUFNCD NATIONAL COUNCIL HOLDS MEETING 26 DECEMBER

BK280630 Phnom Penh SPK in English 0458 GMT 28 Dec 86

[Text] Phnom Penh SPK December 27 -- The National Council of the United Front for Construction and Defence of the Kampuchean Fatherland held its sixth conference in Phnom Penh Friday to review its past activities, in the presence of Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea and president of the State Council of the PRK.

After the opening speech delivered by Bou Thang, Politburo member of the party Central Committee and vice premier, Chea Sim, Politburo member of the party Central Committee and chairman of both the National Assembly and the National Council of the UFCDKF [KUFNCD], the main speaker, reviewed the activities of the National Council of the front, the front committees at all levels and mass organizations in 1986.

He also highlighted the front's main tasks in the coming year, 1987, such as: to enhance the national solidarity and internationalist socialist solidarity and promote the spirit of genuine patriotism and of collective mastership; to encourage the mass; to implement the party and state's sixpoint clemency policy toward the misled people; to better the policy toward the families of combatants and labourers who are building the major defence line at the Kampuchean-Thai border and to encourage the family and private economic sectors; to well implement the party's policy toward the peasantry, and the party's resolution on building the Kampuchean working class into the vanguard of the revolution; to imbue the Buddhist monks, with their roles and tasks in the national construction and defence; to well implement the party's policy toward intellectuals, encouraging them to actively participate in the national defence and construction; to better implement the party's nationality policy; enhance qualitatively and quantitatively the activities of the front activists at all grassroots levels; to tirelessly consolidate and develop the ties of militant solidarity, friendship and cooperation among Kampuchea, Vietnam and Laos and the solidarity and cooperation with the Soviet Union and other fraternal socialist countries, and national liberation movements and other progressive and peace-loving organizations throughout the world; to actively push ahead the patriotic emulation movement, and the three revolutionary movements.

Also present were Koy Buntha, member of the party Central Committee and minister of national defense; Superior Bonze Tep Vong, vice chairman of both the National Assembly and the front's National Council; Ros Chhun, candidate member of the party Central Committee and secretary-general of the front's National Council; Chan Ven, general secretary of the State Council and president of the Kampuchea-Vietnam Friendship Association. Members of the diplomatic corps in Kampuchea were also present.

Bou Thang Opens Meeting

BK280840 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Dec 86

[Report on recorded opening address by Bou Thang, member of the Political Bureau of the KPRP Central Committee, vice chairman of the Council of Ministers, and vice chairman of the KUFNCD National Council, at the KUFNCD National Council's sixth meeting in Phnom Penh on 26 December]

[Text] Our front's sixth meeting is being held at a time when our people throughout the country are striving to produce results toward the end of the emulation program in the three revolutionary movements aimed at welcoming the forthcoming eighth anniversary of the historic 7 January 1979.

Under the correct and clear-sighted leadership of the KPRP through rallying forces and implementing tasks and with the assistance of the front and our mass organizations, our people have taken part in braving all difficulties and actively implementing the three revolutionary movements, namely fighting the enemies, producing, and contributing to build revolutionary forces in every field. The party's common and strategic tasks in the first 5-year economic and social plan have achieved praiseworthy results. We have ensured and further strengthened the right to be masters of the collectivity and of our own destiny. Our people have cooperated with the armed forces and linked themselves to the Vietnamese volunteer army in fighting and serving the struggle with a resolute will to win, to be masters of the battlefield and bases along the Cambodian-Thai border, and in carrying out national defense tasks. These are strategic defense tasks to cut off the communication lines of the enemies who try to infiltrate the country. Along with this, our revolutionary forces have been strengthened and expanded both in quantity and quality. Our 6-point clemency policy is being deeply disseminated along misled persons. A large number of these people have awakened and returned to live with the nation and their families. These victories confirm the new development of our revolutionary forces both along the border and inside the country. They also confirm the failure and weakening of the enemies in their attempt to regain their lost positions. The enemies' maneuvers to topple the PRK regime have been successively defeated. Our production and the building of real revolutionary forces have made new progress and are advancing toward socialism. This has continually heightened the PRK's prestige.

Dear clergy, party members, comrades, and friends: Although the enemies have been seriously defeated, they have not yet given up their maneuvers and tricks to destroy our revolution. To continue these activities, expansionist-hegemonists, in collusion with U.S. imperialists and other international reactionaries, particularly the Thai ultrarightists, continue to provide assistance and support, morally and materially, to the Pol Pot remnants and the three reactionary Cambodian groups. Our struggle against the enemies in the cause of defending the fatherland and the revolutionary gains is still facing complex and trying difficulties. We should heighten our revolutionary vigilance in smashing every enemy maneuver.

It is correct that every monk and priest, members of the KUFNCD National Council at every level, and mass organizations have made all out efforts to implement revolutionary tasks and score lofty and great results. However, these results have not yet corresponded to the task set out by the party's fifth congress. It is in this spirit that this meeting is convened to review past results and set targets for 1987.

With the belief that the meeting will be crowned with fine results, I declare the meeting open. [applause]

Chea Sim Speaks

BK281131 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Dec 86

[Report on address by Chea Sim, member of the KPRP Central Committee Political Bureau and chairman of the National Assembly and of the KUFNCD National Council, at sixth enlarged conference of te KUFNCD National Council held in Phnom Penh on 26 December -- passages within quotation marks recorded]

[Text] "We are getting together today in a spirit of close unity and great joy to welcome the enlarged meeting of the KUFNCD National Council after jointly struggling valiantly to defend our fatherland and our revolutionary achievements.

"The year 1986 is the first year of implementation of the 1st 5-year socioeconomic restoration and development plan set forth by the fifth party congress. The entire party, KPRAF, and all people have enhanced their sense of responsibility, carried out their tasks in accordance with their respective roles and duties, struggled and prepared for struggle, both on the forefront and at the rear, in order to serve the cause of firmly defending the nation's independence and building the Cambodian fatherland through the transitional period toward socialism. From the pace of our task to attack the enemy through the use of both the armed forces and the proselytization campaign, we may say that we are now in a position of strength and victory while the enemy is in a risky and weak position permeated with internal rifts. The enemy is definitely unable to reverse the situation in Cambodia. In addition to our tasks against the enemy, we have vigorously promoted our agricultural production drive. Our dry-season rice output this year is better than in the previous year, while our rainy-season rice yield is quite promising although there was little rainfall in some regions at the beginning of the season. Despite these difficulties, we achieved satisfactory results in this rainy-season's rice production because our peasants made vigorous efforts in the middle and at the end of the season.

"Briefly speaking, the improvement and reclamation of land for agricultural production, the planting, and the [words indistinct] this year have developed rapidly. The four economic bases, most importantly the family-run economy, have been vigorously promoted."

After clearly reporting on the rapid development in the educational, social, and health fields, Comrade Chea Sim spoke on progress in various other fields, such as industry, handicrafts, communications, and transportation, which have actively contributed to restoring the national economy, stabilizing the people's livelihood, and serving combat. After referring to the successes in the diplomatic field, Comrade Chea Sim stressed:

"The great victories scored by our Cambodian revolution are the outcome of the joint effort made by the entire party, armed forces, and people, including the front and the mass organizqations, and of the effective assistance of the fraternal socialist countries with the Soviet Union as the bulwark, particularly the assistance of the fraternal Vietnamese and Lao peoples.

"Grasping the lessons and experiences mentioned in the report of the fifth party congress, in which the national united front is termed as the decisive factor for the 7 January 1979 victory and the source of strength for the defense and construction of our fatherland, the front at all levels and the three mass organizations have actively and frequently carried out revolutionary activities in accordance with their respective roles and tasks. Most importantly, they have carried out propaganda and educational campaigns to rally all forces to fulfill their work and [words indistinct]. Through this work, our people have had a greater sense of political awareness and have become well aware of the correct leadership of the KPRP and of our revolution's position of victory and the enemy's position of weakness and defeat. Clear differentiation between friend and foe, the growing spirit of national and socialist internationalism, the greater indignation against the enemy, and the resolute determination to fight and be ready to fight for the defense of the fatherland and to join in building genuine revolutionary forces in all aspects are clear proof of the rapid development of our people's spirit of genuine patriotism. For this reason, despite the fact that the enemies of all stripes still cling to their perfidious maneuvers for a war of occupation aimed at toppling our Cambodian revolution, our revolutionary forces, under the correct leadership of the KPRP and with the front's appeal and call for unity, have nevertheless developed and are advancing firmly and vigorously in accordance with the rule of development of the socialist revolutionary movement.

"The KUFNCD National Council would like to express its warmest welcome to the brilliant victories scored by our Cambodian fatherland in 1986."

Comrade Chea Sim then detailed the activities of the KUFNCD National Council, the front at all levels, and the mass organizations which have actively and constantly carried out their respective tasks with a high sense of responsibility in 1986. In conclusion, Comrade Chea Sim listed the front's main tasks in 1987, aimed at contributing to the implementation of the collective strategic tasks and the three revolutionary goals set forth by the fifth party congress.

SRV REGIMENT POSITIONS IN PAILIN ATTACKED

BK300139 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 29 Dec 86

[Text] On 27 December, at 0300, the DK National Army, in cooperation with the people and patriotic Cambodian soldiers, launched a commando attack against the Vietnamese enemy's regiment position, an artillery position, and military warehouses at Chamka Kafe in Pailin [Battambang Province].

After a 30-minute battle, we were in complete control of these positions. As a result:

1. We killed 158 Vietnamese enemy soldiers on the spot, including 1 division commander, 2 commanders of the 8th regiment, 2 commanders from the 6th battalion, 3 commanders from the 3d battalion, and 7 platoon and company commanders, and wounded 86 others. We destroyed 6 Soviet-made 130-mm guns, 4 Soviet-made 122-mm guns, 2 85-mm guns, 2 DK-75 guns, 6 DK-82 guns, 2 82-mm mortars, 3 60-mm mortars, 1 12.8-mm gun, 1 machinegun, 28 B-40 and B-41, 3 RPD guns, 3 M-79's, 4 K-59 and K-54 pistols, 6 tracked vehicles, 5 Soviet-made big trucks, 1 Soviet-made large radio, 1 Soviet-made CM-105 field radio, 1 C-25 radio, 2 large telephones, 7 small telephones, 6 radio receivers, 5 ammunition depots each measuring 20 by 40 meters which exploded from 0300, 27 December to 28 December, military warehouses each containing thousands of metric tons of war materiel, and all barracks and war materiel at these positions.

2. We seized 25 AK's, 2 DK-82 guns, 1 82-mm mortar, 2 B-40's, 60,000 rounds of AK ammunition, 318 B-40 and B-41 rockets, 23 maps, hundreds of rucksacks full of uniforms and materiel, and some other materiel. On 27 December at 1100, the Vietnamese enemy's 5th, 36th, and 2d regiments came to rescue their comrades. We ambushed and attacked them with mines, killing seven on the spot and wounding a number of others; the remaining soldiers retreated.

COOPERATION PROTOCOLS SIGNED WITH USSR

BK211233 Vientiane KPL in English 0914 GMT 20 Dec 86

[Text] Vientiane, December 20 (KPL) -- A protocol on economic, scientific and technical cooperation between Laos and the Soviet Union was signed here yesterday at the 8th session of the Lao-Soviet and Soviet-Lao Intergovernmental Commissions for Economic, Scientific and Technical Cooperation.

Signatories were Sali Vongkhamsao, vice-chairman of the Council of Ministers and chairman of the Lao-Soviet Commission for Economic, Scientific and Technical Cooperation, and V.K. Gusev, vice-chairman of the Council of Ministers of the U.S.S.R. and chairman of the Soviet-Lao commission.

Under the protocol, the sides reaffirmed their joint efforts to promote exports, agriculture, industry, and forestry and mineral exploitation. The Soviet Union will help the Lao PDR fulfill the Sedone and Theun rivers [projects] on routes N. 13 and N. 8 respectively. (?The Soviet Union is to provide Laos with the designing work in) the building of the overland bridges in the Lao PDR within the framework of its second 5-years plan.

In furtherance of bilateral commercial cooperation, another protocol on trade exchange and payment for 1987 was also signed on the occasion by Lao Deputy Trade Minister Sompadit Volasan and Soviet Deputy Foreign Trade Minister Yevgeniy Paulovich Baurin.

Under this document, the Soviet Union will supply the Lao PDR with transport equipment, building materials, petroleum, spare parts and manufactured products, while the Lao PDR is to provide the Soviet Union with wood products, tin ores, coffee, cardamom and agricultural productions.

A protocol on scientific and technical cooperation of the 7th session of the permanent subcommission for scientific and technical cooperation between the Lao PDR and the Soviet Union was also signed here on the same occasion. Signatories were Souli Nanthavong, president of the State Council of Science and Soviet Ambassador Yuriy Mikheyev.

The protocol stipulates that the two sides will cooperate in soil survey, seed selection, and aerial geological cartography with 1/500,000 scale. The Soviet side will also provide necessary equipment for scientific research and the training of Lao technicians.

SOVIET COOPERATION DELEGATION LEAVES FOR HOME

BK201225 Vientiane KPL in English 0907 GMT 20 Dec 86

[Text] Vientiane, December 20 (KPL) -- A delegation of the Soviet-Lao Intergovernmental Commission for Economic, Scientific and Technical Cooperation led by its president V.K. Gusev, vice-chairman of the Council of Ministers of the USSR, left here today for Moscow after attending the 8th session of the Intergovernmental Commission for Economic, Scientific and Technical Cooperation between the two countries.

Bidding farewell to the delegation at the airport were Sali Vongkhamsao, vice-chairman of the Council of Ministers of the Lao PDR and chairman of the Lao-Soviet Intergovernmental Commission for Economic, Scientific and Technical Cooperation, and other high ranking officials.

Soviet Ambassador to Laos Yuriy Mikheyev, was also present at the airport.

During its stay here, the Soviet delegation called on Nouhak Phoumsavan, Politburo member of the LPRP CC, first vice-chairman of the Council of Ministers, and visited production bases, historical and culture places in Laos. They also visited various important construction projects in Vientiane which have been built by the Soviet assistance.

USSR SENDS THANKS FOR OCTOBER ANNIVERSARY NOTE

BK131255 Vientiane KPL in English 1020 GMT 13 Dec 86

[Text] Vientiane, December 8 (KPL) -- Kaysone Phomvihan, general secretary of the LPRP CC, chairman of the Council of Ministers, and Phoumi Vongvichit, acting-president of the Lao PDR, have received a message of thanks from the CPSU CC, the Supreme Soviet and the Council of Ministers of the USSR.

The message wrote:

"Please accept our profound thanks for your congratulations and best wishes on the occasion of the 69th anniversary of the Great October Revolution.

"We, on this occasion, would like to express our firm hope that the fraternal friendly relations between the parties, states and peoples of our two countries based on the unshakable foundation of Marxism-Leninism and socialist [words indistinct] would be strengthened and developed with each passing day, for the interests of peace and socialism."

The message wished the Lao entire people still greater successes in the implementation of the resolutions of the 4th Congress of the Lao People's Revolution Party.

THAI-U.S. WAR RESERVE STOCKPILE CRITICIZED

BK291707 Vientiane Domestic Service in Lao 0530 GMT 28 Dec 86

[Feature: "Peace Is the Supreme Aspiration of Everyone"]

[Text] Respected listeners, peace is an aspiration of everyone, in particular the two peoples of Laos and Thailand, who, at this point, have come to understand well the value and significance of peace. This is why the peoples of the two countries are now delighted to see that Lao-Thai relations, with fine traditions of fraternal friendship between the two peoples, are entering the path of improvement.

This has been clearly reflected by the friendship boat races held between Vientiane and Nong Khai Provinces and Savannakhet and Mukdahan Provinces and, in particular, by the 12-day tour of the Kingdom of Thailand by a Lao art and acrobatic troupe from 10 to 22 December in accordance with plans to arrange an artistic exchange between the Lao and Thai peace organizations.

Following these joint traditional art and sports activities, the two people of Laos and Thailand have achieved mutual understanding. They have also effectively contributed to improving the time-honored relations between the two peoples.

However, not all news from Thailand is pleasant. What the Lao and Thai peoples should take into consideration at this time is that while the two peoples are rejoicing over the recent improvements in bilateral relations, there is news that Thai officials on 15 December approved the draft agreement on setting up a U.S. war reserve stockpile in Thailand and that the signing ceremony for the agreement will be held soon. This war reserve stockpile will cost some U.S. $100 million, and the Thai side will have to spend some $20 million each year for maintenance. It is certain that part or even half of the money will come from the incomes of the Thai people themselves.

In view of this, let us consider whether it is necessary for the Thai officials to have the U.S. war reserve stockpile at that high price. What is the need for the stockpile at a time when the people throughout the world, including most Thai people, are calling for peace and disarmament and demanding employment, building of schools for children, adjustment of paddy prices, improvement of living conditions of workers and farmers, and so forth. In light of this, Thai officials should spend the time and money for the purpose of resolving the various problems mentioned above instead of for setting up an arms stockpile.

As for the Lao people who have passed through the trials of war on many occasions, they are well aware that war is the source of disaster and suffering and they earnestly desire not to see war breaking out again. This is why immediately after learning about the Thai officials' decision to set up the U.S. war reserve stockpile in Thailand, the Lao people felt sorry for the Thai people. The Lao people are well aware that the arms stockpile is not constructive and that it is not a tool for improving the living conditions of the Thai people. It is a tool to be used in serving war; and if any accident occurs in the arms stockpile, the incident would cause heavy losses and disasters to the Thai people.

No mention is made of how the United States will make use of the weapons in the stockpile, how Thailand will lose its sovereignty, and how Thailand will become a target for attack by those who suffer as a result of the use of the weapons from the stockpile. The Lao and Thai peoples are of the view that the arms stockpile is not a paddy silo, that the arms stockpile is of no use, and that it will only cause destruction. So, why is it needed? It would be better to build a food stockpile. The Lao people think that the Thai people are of the same opinion, meaning they also desire peace and not war. They all prefer employment, rice, houses, medicine, schools for their children, and staple items for use in raising the level of their living standards.

SAMAN VI-GNAKET RECEIVES CAMBODIAN AMITY GROUP

BK291300 Vientiane KPL in English 0947 GMT 29 Dec 86

[Text] Vientiane, December 27 (KPL) -- Saman Vi-gnaket, Politburo member of the LPRP CC and head of its organizational commission, today received a delegation of the Kampuchean-Lao Friendship Association led by its president Di Phin, deputy-minister of the state committee for social welfare and war veterans.

In a cordial and friendly atmosphere, Saman Vi-gnaket highlighted the visit of the Kampuchean delegation as contributive to the enhancement of the special relations, solidarity and all-round cooperation between the two countries. He also spoke of the regional questions and ways of solving them for the sake of peace and stability.

For his part, Di Phin hailed the achievements scored by the Lao people in the past years. He pledged to further consolidate the special ties existing between Kampuchea and Laos.

COMPANY NAMED TO HANDLE DIPLOMATS' HOUSING, GOODS

BK281222 Vientiane KPL in English 0924 GMT 24 Dec 86

[Text] Vientiane, December 24 OANA-(KPL) -- A contract was signed here on December 20 between the Diplomatic Service Department of the Ministry of Foreign Affairs and the Construction and International Shipping Company of Vientiane capital.

The contract is to meet the demand of foreign embassies and international organisations in Laos in house reparation and construction and goods transportation.

According to this contract, the Foreign Ministry and Diplomatic Service Department agree to hand over to the construction and company [as received] of Vientiane capital the right to take charge of house reparation and construction and goods transportation for the diplomatic corps and international organizations in Laos. Embassies and international organizations are expected to inform the construction and international transportation company of their needs for house construction and reparation and international transportation. They are advised not to contact directly or sign any contract with private enterprises on this matter.

Present at the signing ceremony were Soulivong Phasitthidet, deputy-minister of foreign affairs, Sai Phakasoum, deputy-minister, head of the communications, transport, post and construction service of Vientiane capital, and other officials.

SRV SOLDIERS KILL 43 MEO TRYING TO FLEE

BK300245 Bangkok BANGKOK POST in English 30 Dec 86 p 1

[Text] Vietnamese troops shot dead 43 Meo hilltribe people trying to cross over into Thailand in Nong Khai Province on Friday, provincial authorities said yesterday.

Sources said on the evening of December 26 and the early morning of the next day, 76 Meo hilltribe people tried to cross the Mekong River into Thailand at Ban Nong Kangka in Bungkan District. A platoon of Vietnamese soldiers spotted them and kept firing as they tried repeatedly to cross the border throughout the night.

By the morning of December 27, 19 Meo had reached Thai territory and another 14 had been captured by the Vietnamese. Survivors told Thai authorities they were from Siang Dao in Laos and that the group included women and children.

They added that 43 of their group were shot dead trying to flee. Of the 19, 10 were women and the rest men. They have all crossed back to Laos to join the rest of their group and to try to take revenge on the Vietnamese.

They added they had encountered Laotian troops before trying to cross the river and had been given life jackets by them.

PRC'S LIU SHUQING LEAVES FOR HOME 30 DEC

BK310752 Bangkok Voice of Free Asia in English 1500 GMT 30 Dec 86

[Text] Chinese Deputy Foreign Minister Liu Shuqing left Bangkok today for Beijing after 5 days of talks with Thai officials on bilateral economic issues and Indochina, a Chinese Embassy official said. The Chinese official, who arrived in Bangkok last Thursday after a 5-day official visit to Laos, briefed Thai Foreign Minister Air Chief Marshal Sitthi Sawetsila on his talks with Laotian officials. Mr Liu, the most high-ranking Chinese official to visit Laos since 1978, has proposed to Deputy Foreign Minister Khamphai Boupha an upgrading of current Chinese representation from charge d'affaires level to that of ambassador. Vientiane said it would consider it. China and Laos downgraded their representations in each other's capital at Vientiane's request in 1979 following fights between China and Laotian ally, Vietnam, on Vietnam's northern border. Bangkok and Beijing have said they were ready to resume some parts of their aid to impoverished Laos provided that normalization made progress.

PRASONG URGES COUNTRIES TO RESETTLE CAMBODIANS

BK300645 Bangkok THE NATION in English 30 Dec 86 p 3

[Text] Premier's Secretary General Prasong Sunsiri yesterday urged resettlement countries to commit to their pledges that they will share Thailand's burden by taking refugees from the country.

Prasong told a press conference at the Government House that those countries which want to help Thailand should match their words with deeds by speedily resettling the refugees.

He reaffirmed that the Khao I-Dang camp for Khmer refugees in Prachin Buri Province will be closed on Wednesday and the Thai Government will start moving the Khmers who illegally live in the camp to another camp in northeastern province of Buri Ram.

He said the illegal refugees have to be relocated to Buri Ram since they may not be accepted by their compatriots at Site 2 near the Thai-Kampuchean border.

He said the illegal immigrants are those who sneaked into the camp from Site 2 since late last year and they may be harmed if they are returned to the site.

He said Thai officials have the authority to move the illegal Khmers out of Khao I-Dang immediately.

Prasong who still oversees the refugee policy said the second step of closing the camp involves a relocation of about 7,000 ration card (RC) holders to Site 2 in Prachin Buri and Site B in Surin.

However, he did not say when the move of the RC holders will begin.

He said the third step will be the relocation of about 16,000 original population of the camp and the family card holders who will leave for border encampments of their choice.

He said the Khao I-Dang refugees will receive the same kind of protection as that provided to about 250,000 Khmer displaced persons along the Thai-Kampuchean border. The displaced Khmers are not allowed by the government to resettle in third countries.

He said the government will let the United Nations bodies to decide whether UN High Commissioner for Refugees or UN Border Relief Operation should take responsibility over the Khao I-Dang refugees at the border.

SITTHI HEADS NEW WORKING GROUP ON TRADE WITH U.S.

BK241046 Bangkok Voice of Free Asia in Thai 1030 GMT 23 Dec 86

[Text] The Council of Economic Ministers meeting yesterday, chaired by Prime Minister General Prem Tinsulanon, approved the proposal of the Foreign Ministry for formation of a working group for resolving trade and economic disputes with the United States. The group is chaired by Foreign Minister Air Chief Marshal Sitthi Sawetsila, with Chirayu Itsarangkun na Ayutthaya, minister attached to the Prime Minister's Office, and Deputy Foreign Minister Praphat Limpraphan as deputies. The working group's duty is to consider policies and directions for economic relations with the United States for submission to the Council of Economic Ministers for consideration of remedies to immediate problems affecting Thai-U.S. economic and trade relations. It will serve as the central body for coordinating regular and continued actions and negotiations with the United States and report the results of the actions and negotiations to the Council of Economic Ministers.

The formation of the working group follows trade and economic disputes which have occurred in the past 2-3 years in Thai-U.S. relations, which had in the past been smooth and close. The disputes emanate from U.S. foreign trade deficits which have caused various groups in U.S. industrial and agricultural sectors to pressure the U.S. Government and Congress to implement protectionist policies against imports and to force U.S. trading partners to open up markets for U.S. products and protect U.S. intellectual property rights which they regard as the main factor in putting U.S. products at a disadvantage vis-a-vis foreign products. The implementation of the policy has negatively affected Thailand in many ways.

SOCIAL ACTION PARTY REELECTS SITTHI AS LEADER

BK241504 Bangkok Television Service in Thai 1300 GMT 24 Dec 86

[Text] The Social Action Party held a general assembly to elect the party committee at the Indra Hotel. Prasop Butsarakham was elected the new party spokesman, while Chanchai Chairungruang and Sangthong Sithanet were elected as deputy spokesmen.

Members of the party committee remain unchanged. Air Chief Marshal Sitthi Sawetsila was elected party leader. Deputy leaders are: Thongyot Chittawira, Phong Sarasin, Kasem Sirisamphan, Chaisiri Ruangkanchanaset, Praphat Limpaphan, Montri Phongphanit, Prayut Siriphanit, Subin Pinkhayan, Amnuai Yotsuk, and Udon Tantisunthon. Party secretary general is Surat Osathanukhro. Deputy party secretary generals are: Santi Chaiwirattana, Mai Sirinawakun, Prinya Chuaiplot, and Surasak Thiamprasoet.

LAO AMBASSADOR INTERVIEWED ON RELATIONS

BK270606 Bangkok Television Service in Thai 1300 GMT 25 Dec 86

[Interview with Khamphan Simmalavong, LPDR ambassador to Thailand, by TV announcer Somkiat Onwimon; date and place not given -- recorded; Khamphan Simmalavong speaks in Lao without translation]

[Text] [Somkiat] Mr. Ambassador, how do you evaluate the result of the visit to Thailand by the Lao arts troupe?

[Khamphan] We think that the visit to Thailand of the Lao arts and acrobatic team has greatly contributed to the gradual improvement of relations between the peoples of the two countries, interests of our two peoples, peace, and stability in this region.

[Somkiat] During the visit of the arts troupe, did you see their performances in Bangkok, Chiang Mai, and the northeast?

[Khamphan] I had no time. I only saw the performance in Bangkok.

[Somkiat] You probably have visited many places before. Did you notice the reaction of the Thai audience to such beautiful performances?

[Khamphan] The fraternal Thai people have also shown great interest in their performances, the content of which might be unfamiliar to them because we tried to emphasize in every performance our national identity, fine culture, and promote the national construction in the advance toward socialism.

[Somkiat] Have you asked members of the arts troupe how they felt about their tour of various places in Thailand?

[Khamphan] They said they were accorded a warm and most cordial reception upon their arrival here. They have no difficulty with the Thai language so they felt as if they were performing in their own country. Unlike other places, the Thai people sincerely welcomed and cordially supported them. We and members of our arts troupe are satisfied. Everything went smoothly due to attention given to us by the Thai Government, Thai people, and officials, including TV Channel 9.

[Somkiat] We have learned that a Thai arts troupe will also visit Laos. How far has this matter gone?

[Khamphan] This is a common practice in cultural exchange. Since the Lao arts troupe has visited the Kingdom of Thailand, we are now preparing to invite a Thai arts troupe to visit Laos.

[Somkiat] After the Thai people have seen TV coverage of the recent visit to Laos of a Thai delegation led by the prime minister's adviser and performances of the Lao arts troupe here, we can see that the two countries share similarities in culture, arts, and livelihood. We cannot imagine how Laos' socialist and Thailand's democratic administrative systems can hinder closer relationship between the fraternal Thai and Lao peoples.

[Khamphan] We agree with you Dr Somkiat. Although our administrative, political, social, economic systems are different, they are not obstacles to cooperation, peaceful coexistence, mutual interests between our two countries. Our two countries can cooperate in many areas such as in economy, culture, sports, technology, and science. In the particular case of the Lao People's Democratic Republic and the Kingdom of Thailand, their history, nature, culture, customs, languages, religion, and realities are conditions conducive to their peaceful and fraternal coexistence for the time being and forever.

OFFICERS ON MUSLIM SEPARATIST MOVEMENT

BK230215 Bangkok THE NATION in English 23 Dec 86 p 3

[By Tunsathit Thapthim]

[Text] Songkhla -- There are indications that Muslim terrorists in the five southernmost provinces are focusing on political approaches after their military activity was effectively curbed by government authorities.

The Fifth Army Division, which is in charge of security in the region, recently set up a committee to find ways to deal with the problem of religious conflicts following reports that the Muslim terrorists are becoming "more politically active."

According to Commander of the Fifth Division Maj Gen Kitti Rattanachatya, the committee aims to "use the help of Thai Muslims in clamping down on Muslim rebels."

Government officials here told THE NATION that Muslim terrorists, in an attempt to improve their image, are also expected to scale down their violent struggle against the government next year.

The officials, who insisted on anonymity, said immediate demands of the terrorists are establishment of a Muslim university in the southern region and permission for Thai Muslim officials to wear Islamic uniforms during work hours.

They said the separatists whose popularity has been declining, hope to gain more support from Thai Muslim people through changes in their tactic.

The Muslim rebels hae been known as notorious terrorists "who would kill without reason" and extortionists. Their victims were both Thai Muslim people and Buddhists because they wanted to fuel the tension between the two groups of people. Their existence was partly supported with "protection fees" collected from rubber plantation owners and people living in areas under their influence.

Many leaders of the Thai Muslims have reportedly been supporting the so-called Mujahidin movement -- the latest secessionist grouping which emerged because the Pattani United Liberation Organization (PULO) and the Barisan National Rakyat [as published] (BRN) movement failed to make progress in their efforts to establish a new state in the Muslim-dominated southernmost provinces.

The outlawed movement, whose members reportedly include about 200 Arab-trained young Thai Muslims, are expected to actively infiltrate religious groups and gradually approach Thai Muslim politicians who they think can help them achieve the two targets, the officials said.

Superintendent of Pattani Provincial Police Pol Col Manot Charak said in an interview with THE NATION that there are presently no armed Muslim rebels in the southern province. But he admitted that Pattani is the "command centre" of the movement where a certain number of "intellectual rebels" are active.

However, attempts by high-level separatists in Pattani to secure political support were not so successful, he said. "They can brainwash only a few people. Moreover, many Thai Muslims shrugged off their idea to have Thai Muslim officials dressed in Islamic uniforms," he said.

According to Manot, the secessionist guerrillas have become less and less influential.

The Fifth Division's Commander Maj Gen Kitti, meanwhile, told THE NATION that the committee on the separatist problem in the South has tried to encourage Thai Muslim people to expose their resentment of being the country's minority group.

"They will have a sentiment of belonging to the nation if they join more significant national activities," Maj Gen Kitti said.

He said there are currently "only remnants" of the secessionist movement in southern provinces. "But it would be awful if they managed to secure more support," he admitted.

"I realize this fact so I set up the committee," he said. Members of the committee of which he is chairman include senior army officials of the Fifth Division and respectable Muslim leaders, he added.

Influential Muslim figures who are members of the committee have the most important role in encouraging Thai Muslims to be more open to national events and realize their Thai citizenship, according to Maj Gen Kitti.

They will also closely monitor activities of the Muslim guerrillas and psychologically separate the people from the secessionist movement, he said.

He added that the Fifth Division takes charges of suppression and intelligence matters in supporting the performance of the committee.

He said the fact that Thai Muslim people unprecedentedly came out in large numbers to join the rest of the Thai people in showing loyalty to His Majesty the King on the occasion of his birthday anniversary this year indirectly represented a significant progress in the work of the committee. Previously, the Thai Muslims held their own ceremonies to pay homage to the king, he said.

Maj Gen Kitti, who has long been involved in the Thai-Malaysian common border problem -- Communist Party of Malaya -- and separatist insurgency for many years, said that Muslim terrorists "should be overcome by the Thai Muslim people themselves." "That is the best and most practical solution to the problem," he stated.

VO VAN KIET REPORT TO ASSEMBLY, INSTALLMENT 2

BK301345 Hanoi Domestic Service in Vietnamese 1100 GMT 27 Dec 86

[Second installment and "first half of Part II" of 24 December report on the 1987 socioeconomic development plan by Vice Chairman of the Council of Ministers and Chairman of the State Planning Commission and party Central Committee Politburo member Vo Van Kiet to the 12th session of the 7th National Assembly on behalf of the Council of Ministers]

[Text] Part II

Dear National Assembly deputies, we enter 1987 while our economy is still rife with many outstanding problems and the socioeconomic situation has not been stabilized. However, we have some major favorable conditions, especially as the sixth party congress has determined the guidelines and objectives for socioeconomic development in the next 5 years. The year 1987 is the second year of the 5-year 1986-90 plan and the year immediately following the sixth party congress. The 1987 plan must clearly manifest a renovation and change of direction in accordance with the party congress resolution and focus on the implementation of the three major economic programs of grain and food products, consumer goods, and export goods. Not only must we create a new step of development in all production fields, but also, most importantly, we must overcome gradually the complicated situation on the distribution and circulation battlefront.

It is mainly by performing well the aforementioned tasks that we can create conditions for stabilizing gradually the socioeconomic situation, successfully implementing the main objectives of socioeconomic development in the 5-year 1986-90 period, and preparing for further steps of development in the subsequent years.

Following are the main tasks, targets, and measures of the various socioeconomic sectors in 1987:

1. Concerning the Three Major Economic Programs [subhead]

a. Grain and food products: In grain production, we must thoroughly understand the new spirit of the party congress resolution, bring into play the appropriate policies, develop all potentials in terms of labor and land in each locality, and create a new step of change in the production of grain, including rice, subsidiary food crops, and all farinaceous plants. The main guideline is to vigorously step up intensive cultivation and multicropping.

It is estimated that the area under grain cultivation in 1987 will be up to approximately 7 million hectares, an increase of 2.8 percent over that of 1986. Of this increase, the area of subsidiary food crops alone will increase by 5.9 percent. The estimated volume of grain production in the plan is 19.2 million metric tons. However, all means must be sought to achieve larger volume.

Along with rice, we must emphatically develop the area of subsidiary food crops, especially such potential crops as corn to be increased to 430,000 hectares with 680,000 metric tons in production volume, an increase of 19.5 percent over that of 1986; potato to be increased to 45,000 hectares with 450,000 metric tons in production volume, an increase of 49.5 percent. At the same time, we must vigorously develop the area of farinaceous plants suitable to each locality such as cassava, sweet potato, polygonum, and so on.

What is of special importance is that we must promulgate a system of incentive policies o stimulate production; ensure the interests of those who grow subsidiary food crops; rganize well the collection, purchase, processing, and transportation of crops; and provide guidance for changing the composition of meals suitable to the conditions of grain production in each locality. State agencies and Army units must first introduce subsidiary food crops into their daily meals.

Measures and balances are mainly as follows:

— Increase the precentage of capital directly invested in agriculture from 24.5 percent in 1986 to 28.5 percent in 1987. Investment in grain production alone should account for 50 percent or more of the total investment in agriculture.

— Emphasize investment in water conservancy. Concentrate first of all on the 50 above-norm projects under construction so that 20 of them will be completed and used in 1987, creating a source of irrigation for 150,000 hectares, including 110,000 hectares in the Mekong River Delta, and draining and desalinizing for 110,000 hectares.

— Continue to consolidate supporting and protective dikes, sluices, and electric pump stations in the north; launch movements for building small water conservancy projects, canals, and irrigation within ricefields in order to develop the output of existing projects to the maximum; ensure the active irrigation of 4.7 million hectares; secure enough electricity and increase the amount of oil for the control of flood and drought.

Through the adoption of various policies to promote increased production of animal manure, green manure, and duckweeds, localities must strive to provide themselves with approximately 30 percent of their requirements for fertilizer. As for chemical fertilizer, sufficient foreign currency has been planned for importing more fertilizer. This is to ensure the supply of 1.9 million metric tons of nitrogeneous fertilizer for production.

We must carry out satisfactorily the task of forecasting the impact of harmful insects and blights, take integrated preventive and control measures, combine biological measures with chemical ones, and organize satisfactorily crop insurance-related technical services. We must import insecticide adequately and carry out according to plan the manufacture of insecticides in order to promptly meet demands arising from grain production.

We must organize satisfactorily the trade of cattle in order to regulate the draft force between localities and, at the same time, provide food to various cities. We must increase the mechanized draft force in key rice growing areas, especially in the Mekong River Delta and the Bac Bo Delta, in those areas where industrial and winter crops are being brought into play, and in those potentially multicropping areas.

The Ministry of Engineering and Metals and various agricultural machinery establishements must ensure the repair and the manufacture of replacement spare parts and must, at the same time, reorganize tractor stations and regulate tractor use for higher efficiency. In 1987, we must ensure the supply of 2,000 small tractors and 500 large tractors and must increase the fuel supply quota for mechanical plows. In particular, we must increase the supply of spare parts for repair activities.

We must perfect the system of crop varieties and must quickly introduce new crop varieties suitable to different ecological areas. We must organize the system of crop varieties form the central down to local and grass-roots levels and must encourage cooperatives and the people to multiply those new crop varieties on which localities have already received guidance. The provision of nitrogeneous and phosphate fertilizer and materials for agriculture must be carried out according to the economic-technical standards in production and to economic contracts. Responsible supply organs must ensure planned supply activities so that relevant localities and establishments can sign contracts with peasants right from the beginning of a production season.

Based on the amount and quality of materials received, producers must turn in a corresponding quantity of marketable products without allowing intermediary organs to clip off and steal materials.

On the basis of stepping up grain production, we must carry out the procurement of grain in a truly satisfactory manner. Besides tax obligations, all economic relations between the state and cooperatives and production collectives must be carried out through economic contracts in accordance with the principles of equality and price equality and parity. Apart from using materials as a guarantee in these contracts, it is necessary to carry out buying and selling activities in accordance with truly agreed-upon prices.

In 1987, by means of collecting agricultural tax correctly and fully and carrying out purchase activities mainly through economic contracts and at agreed-upon prices, the state will mobilize 4.5 million metric tons of grain. This constitutes the bulk of the total quantity of marketable grain and represents an increase of approximately 13 percent compared with that of 1986.

Management organs must consolidate and build more warehouses, unloading sites, and storage yards and must rectify their transportation activities if they are to ensure the quality of grain and prevent damage, waste, and loss of grain. On the other hand, they must use grain economically and rationally and must rationally readjust the consumption level of those elements under state management.

Along with the grain production task, we must step up animal husbandry and the cultivation of legumes of all sorts, oleaginous plants, and fruit trees in order to better ensure the food requirements of the entire society. We must develop animal husbandry comprehensively, including the raising of buffaloes, cows, hogs, bees, and fish in all the three sectors -- family, state and collectively. Attention must be paid to resolving in a more satisfactory manner the processing of animal feed. Each locality must reserve part of its grain, especially bran and other agricultual by-products, for this purpose and must, at the same time, build a system for the supply of animal species and develop the veterinarian and technical service networks. Compared with 1986, the buffalo population is projected to increase by 4.6 percent, cattle by 6.8 percent, hogs by 6 percent, and the weight of hogs on the hoof by 9 percent.

In 1987, efforts must be made to build at all costs the food belts around various large cities and industrial complexes such as Hanoi, Ho Chi Minh City, Quang Ninh, and a number of large-scale construction sites. All state farms, forestry sites, schools, and military units must carry out animal husbandry and plant grain crops in order to help resolve part of their own requirements. The area of lugumes must be increased by 17.5 percent over 1986.

As for aquatic products, we must ensure adequate fish nets, fishery tools, and repair services if we are to make full use of the capacities of our existing boats and junks. We must continue to develop a number of medium- and small-sized mechanized methods along with the use of rudimentary fishing tools. We must organize the management of fishing and processing activities and support services for the key western fishing grounds. With guidance from the central government and with cooperation from various localities in a particular area, we must step up aquatic farming, especially the raising of shrimp for export in salty and brackish water areas and must encourage fish raising in the food belts surrounding cities and industrial complexes. We must expand fish raising in ponds and lakes in the midlands and mountain regions and the raising of fish within bamboo rafts and baskets in various bodies of water or on various rivers. We must develop those marine products processing establishments catering to consumption and export. In 1987, the volume of marine products must increase by 5 percent over that in 1986 with the portion to be bought by the state increasing by 14 percent.

The grain food production must be linked with overall agricultural production.

As for short-term industrial crops, we must revise various purchase and price policies and make full use of manpower and land to bring into vigorous play all these crops -- especially those with high export value -- in various areas, state farms, and forestry sites. Attention must be paid to providing material supply, making capital investments and carrying out intensive cultivation uniformly at various centralized raw materials producing areas in order to increase output in these areas by 12.7 percent over that in 1986. We must expand peanut acreage in all areas in order to increase peanut output by 25.7 percent over that in 1986. We must concentrate on developing soybeans in those provinces having many marketable products such as Dong Nai, Cao Bang, Ha Bac, Dong Thap, and An Giang. Sugarcane output must increase by 27.7 percent and efforts must be made to provide adequate raw materials to various state-run sugar refineries while resolving sugar and molasses requirements locally in each district.

Regarding long-term industrial crops, every effort must be made to insure large-scale investment. In conditions of limited capital and materials, all establishments should make good use of various sources of capital and labor to carry out intensive cultivation and satisfactorily exploit existing plantations. We must ensure that the production of rubber will increase by 7.7 percent, coffee by 70 percent, and tea by 14 percent over 1986. The development of rubber cultivation next year will be limited. Therefore, we must consider quality and the final volume of production as the targets of our efforts. Intensive cultivation must be practiced in conjunction with the planting process. Concerning coffee, tea, black pepper, and coconut, aside from the state sector, we should promote and use the capabilities of all other economic sectors and should combine the state, collective, household, and private individual sectors to develop the cultivation of industrial plants, including short- and long-term crops.

It is important to ensure the supply of materials and consumer goods, especially grain, for industrial crop-growing areas which lack grain. The purchasing prices of industrial crop products must be readjusted to be reasonable and to guarantee a fairly high income for producers.

Concerning forestry, we must protect the existing forest assets and restore the forests which have been seriously destroyed. We must divide managerial duties and assign clearly defined responsibilities so that every forest is tended by a specific unit, that unit is assured of adequate benefits, and forest destruction is put to an end.

Forest fires often occur in a number of areas during particular months. Therefore, aside from educating the people in forest protection, we should organize a force specially in charge of forest fire prevention and control, apply a policy to commend and reward those who do a good job of protecting forests, and at the same time severely punish irresponsible people who cause forest fires and loss of national property.

Regarding those areas where forests are grown in a concentrated manner to provide raw materials for paper production and logs for use as underground mine props, we must ensure capital investment and provide forest growers with sufficient food supplies so as to achieve the target of planting 140,000 hectares of forests. We must guarantee fulfillment of the plan to grow trees to provide raw materials for the two large paper mills of Vinh Phu and Tan Mai. In addition, all localities should procure capital by themselves to grow more trees, especially cajuput, eucalyptus, and mangroves in the Mekong River Delta, and special plants such as tung tree, illicium verum, and cinnamon.

We should vigorously launch a tree-planting movement for timber and firewood among the people and in various agencies, schools, and units of the Army and public security forces and accelerate the covering of bare hills with trees.

In 1987, we should continue to settle the farming and life of 150,000 people of ethnic nationalities so that they can have a stable life and actively participate in planting and protecting forests.

Concerning timber exploitation, we should correctly follow the technical regulations and norms for 1.4 million cubic meters, resolve well the shipment of lumber in order to use up all the timber; pay attention to providing wooden pillars to coal mining shafts, raw materials to paper production, timber for construction, and wood for export; and reserve necessary amounts to meet the people's demands.

B. Consumer goods: Developing the production of consumer goods is one of the three major economic programs. In 1987, we must score a definite change to increase considerably the quantity of common consumer goods for the people, especially those products made from domestic raw materials. The value of industrial production of consumer goods should increase by 10 percent over that of 1986. Although the source of cotton and yarn is not sufficient to allow for an increase of fabrics over 1986, the plan has organized a shift of guidelines for the pattern of textile products to suit the consumption demands of the people — especially workers of various trades and jobs — and the weather conditions of each region.

The volume of paper production should be increased by 9 percent to meet sufficiently students' demand for paper and to supplement the demand for printing books and magazines. We should develop the manual production of various types of paper using little sodium and build small-scale installations for paper and pulp production in localities in order to further increase paper production volume.

We should increase the quantity of medicines by 10 percent, ensure the availability of common medicines for the people and, at the same time, reserve some foreign exchange for importing additional medicines to overcome gradually the shortages of antibiotics and other medicines for specialized treatment.

The output for many other consumer commodities should be increased considerably such as sugar and molasses to 31 percent, processed tea to 13 percent, export vegetables and fruits to 17 percent, soap and detergent powder to 63 percent, bicycles to 38 percent, bicycle spare parts to 60 percent, electric fans to 93 percent, and watches to 2.2 times more.

We should further develop installations which produce refreshments and fruit juices, process subsidiary food crops, manufacture typical consumer goods such as wooden items, rattan items, hats, shoes, and so forth to meet the people's needs.

To fulfill the abovementioned objectives, it is imperative that we should resolve well the problems of raw and other materials. We must concentrate investment in the areas of raw materials and agricultural products -- not only the state-owned domains but also cooperatives and families of cooperative members -- through the various enterprises which process agricultural products. We should secure enough fertilizer and provide sufficient grain to those who grow industrial plants. Moreover, we must secure the fulfillment of plans for importing specified raw materials.

In the procurement of supplies and raw materials, first of all we must give priority to the production of key products and to state-operated establishments to raise the level of mobilization of machine and equipment capacity from the current rate of 40-50 percent to more than 70 percent by 1987, or higher in some industries such as cotton and silk, to 87.5 percent; tea and tobacco, to 83 percent; and beer, to 77 percent.

The localities must pay special attention to developing small industry and handicrafts. On the basis of rearranging their production establishments and relying on the fullest use of discards and rejects of various state-run factories and on-the-spot sources of raw materials, they must strongly develop their existing consumer goods production capacity, espcially in Ho Chi Minh City and Hanoi. The state will set aside some supplies and raw materials, especially energy, for this purpose, and will apply various incentive policies such as readjusting the prices of goods produced under contract, providing food, and so forth.

C. Export goods: This is a major economic program of decisive significance in the implementation of other socioeconomic programs and tasks. In 1987 the export value is expected to increase by 16.5 percent over 1986. The main commodities for export are farm produce, processed agricultural products, and products of light and small industries and handicrafts which are aimed first of all at fulfilling international obligations already incurred.

To achieve the export targets, we must apply a number of measures as follows:

A. We must make uniform investments and ensure the funds of supplies necessary for production; pay attention to concentrated production areas and main products, especially those products required by our commitments to other countries; provide adequate incentives and ensure the profits of people and units directly engaged in the production of export goods so that they may carry out expanded reproduction and enjoy stable living conditions; implement a policy of granting adequate rewards for product quality and for fulfillment or overfulfillment of assigned plans; set aside a necessary amount of foreign exchange to support export goods; and encourage absolute saving in the consumption of goods that can be exported.

B. Concerning the provision of materials for production and the purchase of export goods from various sectors and localities operating in accordance with the economic and technical norms set by the state, if the value of the goods delivered for export exceeds that of the materials and equipment supplied by the state, these sectors and localities will be paid according to the purchasing prices agreed upon by both sides.

In addition, they will be entitled to a bonus for fulfilling or overfulfilling the quotas of goods delivered for export. In particular, higher purchasing prices may be applied as warranted by quality of products in order to encourage the production of export goods of high quality. On the basis of its control of the necessary foreign exchange, the state will ensure sufficient supplies of materials for the production of key products and will not allow various sectors to keep a portion of their products for sale to obtain foreign exchange and to pay for the imports they need themselves as they have done in the past.

C. Regarding markets outside the socialist community, we must rearrange various import-export organizations on the basis of integrating important links to avoid competition in purchasing commodities at home and in selling products abroad. However, we must ensure the interests of the parties concerned and oppose bureaucratism. The state and central government must take appropriate and firm measures to control the source of foreign currencies to pay for essential requirements of the nation, particularly for the three main economic programs. In 1987, it is imperative that we take the following measures:

-- Procure for the state and central export granaries about 70 percent of important export products such as tea, coffee, peanuts, pepper, aquilaria agallocha, cashew nuts, coconut oil, cinnamon, and so forth. Localities can themselves export the remaining 30 percent of these products without having to pay premiums to the central government.

-- Concerning marine products, we must set aside 50 percent of our foreign currencies for the marine product sector to import sufficient materials and essential machinery for production purposes. The state will use the remaining foreign currencies to serve general requirements.

Only through these measures can the state fulfill its obligations towards socialist countries and reserve foreign currencies to pay debts and import fertilizers and insecticides for the agricultural sector as well as the badly needed materials for the production of consumer goods. Localities should strive to engage in export and pay premiums to the central government from 20 to 30 percent of their export values for products except those mentioned above. In collecting foreign currencies from export goods production units, the central government not only has to ensure sufficient materials for the production and expansion of export goods, but must also refund to then an appropriate sum of Vietnamese money to ensure that they make proper profit. The Ministry of Foreign Trade is responsible for providing localities and grass-roots unit with information regarding markets, prices, and clients' tastes. Various sectors and localities must formulate import-export plans to submit to the state for review. The Ministry of Foreign Trade will issue import-export permits to them in accordance with the plans approved by the state.

Engaging in production of export goods is a form of accelerating exports, an area in which we have great potential. In 1987 we must urgently produce export goods under contract with the Soviet Union and other countries. Central sectors must guide localities, especially production units of Ho Chi Minh City, Hanoi capital, and Haiphong Municipality, to engage in export goods production by optimally exploiting available factories and establishments, while providing them with partial funds and essential materials given by the state.

In 1987 we must also actively engage in service activities to gain more foreign exchange such as promoting tourism, encouraging Vietnamese living abroad to send money home, and providing services for cargo ships, aviation business, postal work, and so forth.

We must eliminate red tape in issuing visas, create favorable conditions for foreign guests to visit and tour our country, and improve and enhance the quality of services for foreign guests during their stay and travel in Vietnam. Regarding Vietnamese living abroad who want to send money home, we must urgently formulate policies to encourage them by not limiting the amounts of money they want to send or when they want to sent it. We must readjust and set a rational foreign exchange rate and clearly specify a list of goods to send home, especially materials for consumer goods production.

ASSEMBLY RESOLUTION HAILS SOVIET PEACE MOVES

OW301203 Hanoi VNA in English 0750 GMT 30 Dec 86

[Text] Hanoi VNA Dec 29 -- At its closing session here today, the Vietnamese National Assembly (7th legislature) unanimously adopted a statement welcoming the call of November 19, 1986 by the Supreme Soviet of the USSR to all parliaments and nations throughout the world for firm measures to be taken to build up a world free from nuclear weapons and ensure an equally stable security for all states and nations.

The statement says: "Nowadays, mankind is facing the turning point of a choice relating to issues of the global character. Never before has the danger of a nuclear war caused by U.S. imperialism been so great as it is today. The only choice of mankind is to defend the life on the earth and launch emulation movements in economic construction and in building a life style in the conditions of peaceful co-existance and the development of broad international cooperation. The call for peace of the Supreme Soviet of the USSR has spelt out the ardent aspiration of all nations and the high sense of responsibility in the struggle for mankind's destiny. Therefore it has received vigorous support from all peoples the world over.

"Contrary to the Soviet Union's practical and noble moves full of goodwill, the U.S. is still bent on its outmoded policy by seeking to obtain military supremacy over the Soviet Union, accelerating the arms race, militarizing outer space, and continuing its nuclear tests. It is trying to avoid what have been agreed upon at the Soviet-U.S. summit in Reykjavik relating to the possibility for total abolition of nuclear weapons. Of late, the U.S. has declared its unilateral withdrawal from SALT II. Such moves of the United States have constituted a serious challenge to the world peace and international security.

The Vietnamese National Assembly and people welcome the imperative call of the Supreme Soviet of the USSR to all parliaments and peoples in the world and fully support the Soviet Union's peace initiatives, particularly the New Delhi Declaration of historical importance signed recently between the Soviet Union and India on the principles of a world free from nuclear weapons and non-use of violence in international relations.

By pursuing the foreign policy of peace and friendship as stipulated in the Constitution of the Socialist Republic of Vietnam and reaffirmed at the 6th Congress of the Communist Party of Vietnam, the National Assembly and entire people of Vietnam pledge to join the parliaments and peoples of the socialist countries and all other nations over the world in the common struggle to build a world free from nuclear weapons, and ever-lasting peace and stable security for all states and all nations.

NEW ZEALAND

LANGE: AUSTRALIA NO DEFENSE SUBSTITUTE FOR U.S.

HK200134 Wellington THE EVENING POST in English 12 Dec 86 p 2

[Text] (NEW ZEALAND PRESS ASSOCIATION) — New Zealand had never regarded Australia as a defence substitute for the United States, Prime Minister David Lange said yesterday.

"Such a position is quite alarmingly bizarre," he said.

On Wednesday Australian Foreign Affairs Minister Bill Hayden said Australia could not realistically be expected to provide a substitute for the United States as a security partner for New Zealand. Australia was extremely limited as to what it could provide as against what the U.S. could contribute, Mr Hayden said on his arrival in Wellington for a four-day visit. He also said New Zealand would have to spend substantially more on defence if it wanted a stronger bilateral defence arrangement with Australia.

Yesterday, after several hours of bilateral talks, Mr Lange said: "There was never any question on the part of New Zealand of regarding Australia as a substitute for the United States.

"It is a totally different scale of country with a totally different defence structure and it was never in the mind of this government to swap Australia in the stead of the United States."

The transtasman alliance could not be substituted for the now-withdrawn United States' defence guarantee because, despite claims from Washington, that guarantee never existed under Anzus.

He agreed with Mr Hayden's comments that the defence relationship between the two countries had gone about as far as it could and cited budgetary constraints.

The two countries had established principles of goodwill, common interest and commitment.

"You can't actually have something that is stronger than that."

Asked at a press conference if he saw any hope of a trilateral relationship being formed again, Mr Hayden said the New Zealand government had made it clear it was firmly committed to its non-nuclear policy.

Such a policy, which was supported by the majority of New Zealanders, prevented a trilateral relationship being established, he said. Also on the agenda at yesterday's talks was the Australian Government's bounties system, which New Zealand believes is against the spirit of the Closer Economic Relations Agreement.

Mr Hayden on Wednesday indicated there were some grumbles in Australia about the agreement. He warned that problems should be handled in such a way as to not aggravate those "who feel they have got a very raw deal..."

But today he denied the Australians had "cold-shouldered" New Zealand concerns.

MOKHTAR RULES OUT U.S. BASES IN COUNTRY

BK250836 Jakarta THE INDONESIA TIMES in English 20 Dec 86 p 1

[Excerpt] Foreign Minister Mokhtar Kusumaatmaja stressed that Indonesia will never allow any part of its territory to be used as a military base for any foreign nation, but one should differentiate the desire for a base and the "right of transit passage through the Straits of Lombok and the Straits of Makassar." Not only the United States but all other big countries which own nuclear submarines look forward for this type of rights of passage, and that's just fair and understandable.

Mokhtar made these remarks replying to questions from newsmen on the comments of Ruslan Abdulgani [a former foreign minister] in a panel discussion here recently that the United States was 'eyeing' on Moluccas and the region nearing the Straits of Lombok as prospective replacement of the U.S. base in Subic Bay, Philippines. According to Ruslan Abdulgani, the new Philippine constitution will not tolerate nuclear weapons or bases on its territory. Thus, the United States, "is badly looking for a replacement," he was quoted as saying by MERDEKA daily.

Mokhtar reiterated that the right of free passage had been allowed by Indonesia in certain sections of the Law of the Sea Convention. That was given as condition for others to recognize Indonesia's rights in the main part of the convention which emphasized the Archipelagic Concept ("Wawasan Nusantara", Ed.). "We gave the right of transit with certain condition. The United States showed special attention, and therefore had not ratified it. It likes to have some 'conditions or facilities' as had been expounded. This is just fair, but you should not connect it with the desire of having bases here. Rest assured we will never consent to such a request "if they were ever to come," he said smilingly. [passage omitted]

SUHARTO WELCOMES OUTCOME OF OPEC MEETING

BK230932 Jakarta Domestic Service in Indonesian 0700 GMT 23 Dec 86

[Text] President Suharto has welcomed the outcome of the OPEC ministerial meeting in Geneva and expressed his hope that the decisions reached at the meeting will be properly implemented. The president made the remarks in Jakarta yesterday when he met with Mining and Energy Minister Subroto who reported on the outcome of the Geneva meeting. At the OPEC meeting, it was agreed that the world oil price be fixed at $18 per barrel and that the overall OPEC production ceiling be reduced from about 16.6 million to 15.8 million barrels per day for the 1st and 2d quarters of 1987. Before the OPEC meeting, the world oil price ranged from $12 to $13 per barrel.

Mining and Energy Minister Subroto noted that the meeting had set Indonesia's oil production quota at 1,133,000 barrels per day for the 1st quarter of 1987, while current production quota stands at 1,193,000 barrels per day. Mining and Energy Minister Subroto, however, declined to voice his views on the impact of the new OPEC oil price to the 1987-88 draft state budget. In this connection, the minister said we have to wait for the president's budget speech to the parliament, scheduled for 6 January 1987. However, Hamzah Haz, vice chairman of the parliament's budget committee, said yesterday that the outcome of the Geneva meeting had given Indonesia two alternatives in determining the projected state revenues and expenditures during the 1987-88 fiscal year. He added that the new OPEC price is realistic enough in view of the current oil demand. The government could use either the new OPEC price at $18 or the old but more realistic price at $14 to prepare its 1987-88 state budget.

RAMOS DENIES U.S. COUNTERINSURGENCY INVOLVEMENT

HK301417 Quezon City BUSINESS DAY in English 30 Dec 86 p 16

[Text] Gen. Fidel V.-Ramos, Armed Forces chief of staff, yesterday accused the National Democratic Front (NDF) of using the guarantees of the current democratic freedom to discredit the Armed Forces and undermine the duly constituted government of the Filipino people.

Ramos was reacting to a recent statement by NDF international representative Luis Jalandoni, a former priest and concurrent chairman of the CPP's [Communist Party of the Philippines] international commission.

Jalandoni earlier said that the 250,000-strong Philippine military "stands to receive increased U.S. aid as part of American military strategy for the Philippines." Jalandoni was quoted as also saying that this U.S. strategy "calls for the promotion of a civil war by inciting the civil population to fight an all-out counter-insurgency war that could isolate and eventually crush the rebel forces."

Ramos noted that Jalandoni's pronouncements regarding U.S. intervention in the Philippine counter-insurgency campaign is an attempt at giving credibility to the rebels' propaganda line on U.S. imperialism.

Ramos reiterated that there are no U.S. forces nor U.S. personnel involved in the Philippine government's counter-insurgency efforts against the CPP/NPA/NDF and the Moro National Liberation Front (MNLF).

Ramos said the Armed Forces does not advocate a military solution to the insurgency problem which he noted "is largely a political and socio-economic one."

Ramos said he has always stressed a comprehensive approach to the insurgency problem "by harmonizing the political, economic, and social efforts of government towards the resolution of the problem at the grass-roots level to insure good government and the delivery of the basic needs of the people."

The chief of staff described NDF speculations on increased U.S. efforts to sabotage the ongoing peace negotiations as "not only baseless but also totally inaccurate."

Specifically, talks of U.S. special operations forces and (Central Intelligence Agency) CIA-related activities are nothing "but NDF propaganda to suit its objectives."

"Our government has not received the official word from the United States authorities regarding the actual amount of what the Philippines can expect from the U.S. for fiscal year 1987," Ramos pointed out.

He admitted though, that the Armed Forces is expecting military assistance of some $100 million for 1987 as part of the U.S. obligation under the five-year base compensation package for the use of the Subic and Clark military bases.

Ramos also took to task Jalandoni's disclosure about the support the NDF is allegedly receiving from some European parliament members and the desire of some Japanese lawyers, academicians and peace activists to volunteer as members of an international peace monitoring body on the current ceasefire.

"Mr. Jalandoni's disclosure only proves the NDF's efforts at calling attention to itself to gain a status of belligerency," Ramos observed.

"This runs counter to the provision to the memorandum of agreement on safety and immunity guarantees which specifically provide that "any provisions thereof, shall not invest the NDF with the status of belligerency under the laws of war," he added.

Meanwhile, Ramos also disclosed over the weekend that the Partido ng Bayan (PNB) [People's Party], is only one of the two movements included in the local communist party's tactical program for June 1986 to May 1987. The other movement is the National Democratic Movement (NDM).

Citing recently declassified documents captured from rebels, Ramos said the two movements aim to form a broad front composed of left-leaning elements and sympathizers who will be used to support the so-called "national democratic revolution."

Speaking during an alumni homecoming rites in Pangasinan, Lingayen, the chief of staff disclosed that although the PNB intends to participate in the forthcoming elections, "winning candidates will not be the real objective."

"The real objective of the CPP is to take advantage of the elections to organize masses as a broad and consolidated CPP base," he said.

"For this, the PNB is already prepared for the elections next year since it has already formed its National Election Campaign Commission (NECC) to coordinate regional, provincial and town campaign strategies and timetables."

Ramos noted that the 1987 election is foreseen by the CPP as a "good opportunity to work out and strengthen unity among progressive and pro-CPP forces, particularly in the grassroots level."

The documents revealed that eventually the CPP hopes to forge alliances with bigger and more established political parties which would serve as a step towards the establishment of a coalition government, he added.

CPP CRITICIZES GOVERNMENT PEACE PROGRAM

HK291545 Quezon City ANG PAHAYAGANG MALAYA in English 26 Dec 86 pp 1, 16

[Text] Communist leaders yesterday branded the four-point program for peace presented by the government to the rebel panel as "narrow, reformist and counter-revolutionary" and said it fails to resolve the root cause of the country's problems.

The outlawed Communist Party of the Philippines [CPP], celebrating its 18th anniversary today, also said the agenda for peace presented by the National Democratic Front [NDF] is "premised on the elimination of the root cause of the political, economic and social problems in the country as the basis for lasting peace."

In the December issue of ANG BAYAN (THE NATION), the official organ of the CPP central committee, the party said the government agenda "leaves unchallenged the continued rule of U.S. imperialism, the big comprador bourgeoisie, and big landlord class."

The government panel, composed of Teofisto Guingona of the Commission on Audit, Jaime Guerrero, and Ma. Serena Diokno representing her sick father, ex-Sen. Jose W. Diokno, presented last Tuesday to the NDF panel its proposal for the substantive stage of the peace talks.

The government agenda includes a quick economic recovery program, a social amelioration program, socio-economic reforms within the context of the proposed Charter and general amnesty "with honor for rebels."

The NDF proposed the complete dismantling of "fascist structures of the deposed Marcos regime, promotion of people's livelihood and welfare, assertion of national dignity and sovereignty and concrete measures for lasting peace.

The CPP, represented in the talks by the NDF, said the Aquino government continues the program of the former regime as prescribed by the International Monetary Fund to stabilize itself.

It said that the proposed Charter, expected to be approved by the people on Feb. 2, "reinstates the same old fetters to the achievement of national liberation and democracy."

Moreover, the CPP said, the government's agenda "puts in sharp relief the Aquino government's position on the revolutionary forces as the barrier to the implementation of its programs and stated in no uncertain terms it policy of decimating the people's armed revolutionaries through military, reformist and deceptive means."

The CPP said the complete cessation of armed conflict can only take place when the basic demands of the Filipino people for national sovereignty and democracy have been achieved.

In the political field, the NDF proposal includes the establishment of a coalition government. The government, however, ruled out a coalition with the communists.

The NDF agenda for economic change proposes the legislation and implementation of a genuine and comprehensive land reform program.

The NDF also proposes the reorientation and reorganization of the Armed Forces of the Philippines as well as the reduction of military forces and expenditures in accordance with actual needs of internal security and national self-defense.

Guingona earlier said the military, after the February revolution, is truly nationalistic.

The CPP said that despite strains in the implementation of the ceasefire agreement, the substantive phase of the talks would continue. It said that whatever the outcome, these dialogs and negotiations are expected to have major implications for the course of action which the party will eventually pursue.

NEGOTIATORS CONCERNED OVER 'POLARIZATION'

HK301527 Manila MANILA BULLETIN in English 30 Dec 86 pp 1, 9

[By Rod L. Villa Jr]

[Text] Peace negotiators of the government and the National Democratic Front [NDF] expressed "deep concern" yesterday over the "stiffening polarization" of their respective positions on substantive issues in the amity talks.

Audit Chairman Teofisto Guingona Jr, head of the government panel, said there are serious matters, such as coalition and belligerency, on which the government cannot yield, but nowhere so far are there hints of a "foreseeable collapse" of the negotiations, he said.

Antonio Zumel of the NDF, on the other hand, said a closer scrutiny of the government stand and recent pronouncements by government officials are "making the prospect of conciliation dimmer and dimmer."

Bishop Antonio Fortich, speaking in Bacolod City, said "there is so much to hope for peace, with the advent of the New Year, to assure at least a prolonged ceasefire to allow the two panels to widen their areas of agreement."

Fortich, reporting to the National Ceasefire Committee [NCC] secretariat in Quezon City, said he has invited Francisco Pascual of the NDF and Irene Cortes to join him in inquiring into supposed ceasefire violations blamed by the military on the NDF in Davao, Cotabato, and other areas of Mindanao.

Wires received at the NCC showed no fresh outbreak of violence in the field.

Guingona called on Zumel, Satur Ocampo, and Carolina Malay Ocampo, to "seriously consider" the varied programs of government to attain their mutual goal of solving poverty, insurgency, and related problems which they traced to the economic crisis and the prevailing social and governmental structure.

He cited a program, backed by a P3.9-billion fund, to provide nearly two million jobs and community services which the government aims to complete by the end of 1987.

But Zumel said the state programs are "mere pallatives directed not at solving the basic problems but at liquidating the revolutionary movement."

He said the government must direct its attention to the "real fundamental problems" which, he said, demand the removal of American dominance over the political, social, and economic affairs of the nation.

Zumel rejected the government position that land reform, industrialization, rural credit, potection and uplife of the workers, among others, are attainable within the context of the 1986 constitution.

"The NDF rejects the proposed constitution, first, because it was drafted by presidential appointees, the overwhelming majority of whom represent the entrenched and colonial rich," he said.

It is obvious, he added, that sections scattered all over the draft constitution could only work to strengthen the power of the established elite, to the exclusion of the masses of the poor and the working class.

On the other hand, Guingona urged Zumel and his colleagues to "discard classic communist views, and accommodate the attainment of these programs through a stable and constitutional government."

"These are attainable if the rebel leaders take up the challenge of innovation and creativity characteristics of the values and the intrinsic virtues of the race," Guingona said.

GOVERNMENT SCRAPS PLAN TO BUY REBEL ARMS

HK301406 Manila THE MANILA CHRONICLE in English 30 Dec 86 p 2

[Text] The Government has scrapped its plan to offer cash payments to communist rebels who surrender their weapons. Instead it is studying the possibility of allowing former guerrillas to use their weapons as collateral for loans.

Deputy Press Secretary Benedicto David told reporters in a briefing that the buy-back scheme was "impractical."

Earlier, military officials said many of the weapons now in the hands of the communist New People's Army were stolen from the Government in the first place in raids on police stations and army barracks.

David also announced that P20 million has been released as seed money for the processing of rebel returnees under the Government's National Reconciliation and Development Program (NRDP).

David explained that "processing" of returning rebels includes documentation, providing them transportation, medical care, job assistance and tuition for those who would like to return to school.

David said Government officials met yesterday to finalize its organizational set-up.

Present were Economic Planning Minister Solita Monsod, Defense Minister Rafael Ileto, Local Government Minister Jaime Ferrer, Deputy Executive Secretary for Human Settlements Herminio Aquino and representatives of various government agencies.

Under the NRDP, the Government aims to develop the countryside and create jobs for both rebels and non-rebels, David said.

For 1987, he said the Government hopes that 5,000 armed members of the communist New People's Army (NPA) would surrender, aside from the 13,000 returnees recorded this year.

Meanwhile, Press Secretary Teodoro Benigno rules out a possible reduction in the "yes" votes for the draft Constitution, despite its rejection by the militant Kilusang Mayo Uno and Marcos loyalists.

Even if the Partido ng Bayan, the alliance of cause oriented groups identified with the Left joined the "no" campaign, Benigno estimated that 60 to 65 percent would support the draft Charter.

He said this "desireable threshold" of approval for the Constitution is also the prediction of other Government officials.

Starting Jan. 3, President Aquino will start actively campaigning for the Charter in Legazpi City and Naga City.

Every weekend thereafter she will visit other towns and cities in the various regions.

Benigno explained that the President's policy has "always been for unity and reconciliation" and this is the reason why she will campaign vigorously for the Charter.

He said that based on what is perceived to be the "philosophy of Filipino voters," the Feb 2 plebiscite "would be reducible to the question of whether voters were for or against Mrs Aquino. [no closing quotes as published]

Many people would not be voting for the Constitution in terms of its intrinsic merit and its provisions. They would equate the Constitution with Cory and Cory with the Constitution," he said. [no opening quotes as published]

AQUINO ACTS TO RESOLVE BASILAN POLITICAL FEUD

HK301531 Manila THE MANILA CHRONICLE in English 30 Dec 86 pp 1, 6

[By staff members Raissa Espinosa and Malou Mangahas]

[Excerpt] President Aquino moved yesterday to resolve the worsening political feud in Basilan which has left five dead and over 400 families homeless.

Aquino met yesterday with her political adviser, Minister Aquilino Pimentel Jr, and military adviser, retiring Maj Gen Jose Magno as well as with Muslim Affairs Minister Candu Muarip to study the conflict.

"The President would not want a futher deterioration" of the situation in Basilan, Pimentel said. "The situation is very bad" and definite solutions would have to be made, he added.

Aquino is scheduled to meet today with Muarip and Autonomous Region 9 chairman Elnorita Tugung, the two high government officials who figure prominently in the conflict. Pimentel also said Muarip's henchean Gerry Salipuddin will also meet with Aquino.

Other 'CHRONICLE' sources said Aquino has also summoned the three town mayors of Tubuan, Sumisip and Tipo-tipo who were all indentified by witnesses as reported having led over 200 armed Yakans in razing the marketplace of Isabela, Basilan to the ground.

It was in the same market-place where Tuburan Vice Mayor Ustadz Salim Askalim was murdered in early December by men suspected to be Tugung's followers. The alleged motive was to avenge the death of Tugung's husband, Ulbert Ulama, last Nov 22.

In a press conference yesterday, Tugung denied she was out for vengeance. She said she was for peace and she was not and could never be a warlord.

Both Muarip and Tugung are Aquino supporters who delivered votes for the President in the snap elections.

Basilan in fact, along with Zamboanga City, were the only areas in Region 9 (Western Mindanao) where Aquino won over incumbent President Marcos even in the Batasan count, according to election reports.

Muarip and Tugung, however, remain bitter political rivals. They ran against each other in the 1984 Batasan election where Tugung lost to Muarip, a Muslim political figure told 'CHRONICLE'.

The same Muslim leader, who asked not to be identified, noted that the conflict has been interpreted in the papers as a tribal war. The Yakans are on one side led by Muarip and on the other side are the Tausug, Sama and Christians led before by the late Ulbert Ulama Tugung and now by his widow, Elnorita.

The real issue is power, the Muslim source said. The Yakans feel they are not getting a fair share of it and they resent the other side whom they perceive as having more, he said.

"The intervention of the President would help defuse the situation. Aquino can try to negotiate compromises between the two factions," he also said. [passage omitted]

NORTHERN MINDANAO CEASE-FIRE COMMITTEE SET UP

HK241305 Manila THE MANILA CHRONICLE in English 24 Dec 86 p 2

[By staff member Abe Cerojano]

[Text] The first regional ceasefire committee in Mindanao has been formed in Northern Mindanao.

Reports reaching Camp Crame yesterday said top commanders of the Armed Forces and communist rebels have agreed on who should compose the truce watchdog in the region, which includes Misamis Oriental, Misamis Occidental and Bukidnon.

A five-hour dialogue, arranged by Government, church, and civic leaders in the region, was held at the Tunggulahan Elementary School in Misamis Oriental.

Thousands of town residents watched the dialogue, the reports said.

The ceasefire committee which is basically similar to the one formed last week in Albay has a sub-committee to cover each of the three provinces.

The Central ceasefire committee would be based in Tunggulahan, Misamis Oriental, the reports said.

The Government panels, represented by Misamis Oriental acting Governor Vicente Emano and Regional Unified Command 10 chief, Brig Gen Mariano Adalem, and their rebel counterparts led by Alfredo Mapano, alias "Kumander Paris," and Leonico Nabo alias "Kumander Charo," had agreed to abide by the ceasefire agreement.

They also agreed that Monsignor Patrick Cromin of Tunggulahan Parish Church be the chairman of the Central Regional Ceasefire Committee, with Adalem and Mapano as co-vice chairmen.

The reporter said the two sides argued on a few points but which easily resolved.

One was about the carrying of firearms by the rebels. In the report, the panels agreed to let few security men of the rebel representatives in the committees to carry guns. The rebel group had promised to punish those unauthorized members displaying guns at public places.

Before the 60-day preliminary ceasefire took effect Dec 10, Northern Mindanao's hilly towns had become battle scenes between the soldiers and the rebels.

There were at least four reported clashes in Bukidnon a week after the ceasefire took effect but no casualty was reported.

NEW SOUTHERN LUZON COMMAND ORGANIZED

HK241329 Manila THE MANILA CHRONICLE in English 24 Dec 86 p 2

[Text] Armed Forces Chief of Staff Gen Fidel V. Ramos announced yesterday the creation of a new military command that will put all of 16 provinces of Southern Luzon under one network.

The new command, Southern Luzon Command (Soluzcom), will start operating Jan 1.

Southern Luzon is composed of the provinces of Quezon, Aurora, Rizal, Cavite, Laguna, Batangas, Marinduque, Mindoro Occidental, Mindoro Oriental and Romblon in Region 4; and Camarines Norte, Camarines Sur, Albay, Sorsogon, Masbate, and Catanduanes in Region 5.

Each region falls under the jurisdiction of a Regional Unified Command [RUC], a military and police umbrella, that directly takes command from the AFP [Armed Forces of the Philippines] general headquarters.

Under the new set-up, RUC 4 and RUC 5 will fall under direct supervision of Soluzcom. This will allow the sharing of resources and troops of the two RUCs; provide a built-in coordinating system and greater focus on the common security problems of the two regions.

The military considers Region 4, especially Quezon and Aurora, and Region 5 which comprise the Bicol provinces, as top communist rebel strongholds. The two regions are connected by land by Quezon and Camarines provinces.

Ramos appointed Brig Gen Restituto Padilla, RUC 4 commander, as the commanding general of Soluzcom, while Brig Gen Eduardo Taduran, RUC 5 commander, as deputy commanding general. The two officers will concurrently serve their RUC positions.

Soluzcom is only the third command to be created since Ramos started reorganizing the military following the February revolution.

The other commands are Western Command (Wescom), and Southern Command (Southcom), which cover Western Visayas and the whole of Mindanao, respectively.